A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Initial Public Offering **May 29, 2004**

QUEENSLAND MINERALS LTD.

Suite1525 – 625 Howe Street
Vancouver, British Columbia V6C 2T6
Telephone: (604) 688-6775
(the "Issuer" or "Queensland")

OFFERING: $1,800,000 - 6,000,000 SHARES

Price: $0.30 per Share

Queensland Minerals Ltd. (the "Issuer") is offering (the "Offering") to the public through its agent First Associates Investments Inc. (the "Agent"), on a commercially reasonable basis, 6,000,000 common shares in the capital of the Issuer ("Share") to raise $1,800,000. The Shares are being offered at a price of $0.30 per Share. The Offering is being made to investors resident in the provinces of British Columbia, Alberta and Ontario. The Offering price and terms of this Offering have been determined by negotiation between the Issuer and the Agent.

The completion of the Offering is subject to a minimum subscription of $1,800,000. In the event this minimum subscription is not attained, all funds raised hereunder will be returned by the Agent and refunded to investors without interest or deduction. The Offering will cease if the minimum is not subscribed within 90 days of the date of the final prospectus receipt.

	Price to Public	Agent's Commissions(1) (4)	Net Proceeds to Issuer(2)(3)(5)
Per Share	$0.30	$0.021	$0.279
Offering	$1,800,000	$126,000	$1,674,000

(1) The Issuer has agreed to pay the Agent a cash commission equal to 7% of the gross proceeds of the Offering. The Issuer will also issue to the Agent non-transferable share purchase warrants (the "Agent's Warrants") to acquire that number of Shares equal to 15% of the number of Shares sold pursuant to the Offering. (including any sold under the Greenshoe Option described below) exercisable at a price of $0.30 per Share for a period of 18 months from the date of the closing of the Offering (the "Closing Date"). The issuance of the Agent's Warrants is qualified for distribution hereunder. See "Plan of Distribution"

(2) The Issuer has granted the Agent an option (the "Greenshoe Option") to purchase up to an additional 15% of the number of Shares sold under the maximum Offering, exercisable within 60 days of the closing of the Offering to cover over allotments. In the event the Agent exercises the Greenshoe Option in full, proceeds from the Greenshoe Option will be $270,000 (less the Agent's commissions of $18,900) for net proceeds to the Company of $251,100. The grant

of the Greenshoe Option and the issuance of Shares purchased pursuant to exercise of the Greenshoe Option are qualified for distribution hereunder. See “Plan of Distribution”.

(3) Before deduction of the balance of expenses of the Offering, including legal, audit, and other expenses, estimated at $100,000. See “Use of Proceeds”.

(4) The Issuer will also pay the Agent a corporate finance fee for acting as Agent of the Offering and the Brokered Private Placement described below in the amount of $30,000 (plus GST) of which $10,000 (plus GST) was paid on the closing of the Brokered Private Placement. See “Plan of Distribution” and “Use of Proceeds”.

(5) Does not include the proceeds, if any, which may be received by the Issuer on the Exercise of the Agent’s Warrants or the Broker’s Warrant (as described below). There is no assurance that the Agent’s Warrants or Broker’s Warrants will be exercised.

RISK STATEMENT

INVESTMENTS IN NATURAL RESOURCE ISSUERS INVOLVE A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER’S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE. ALL OF THE PROPERTIES OF THE ISSUER ARE IN THE EXPLORATION OR PRE-EXPLORATION STAGE AND ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE. THE PROPOSED EXPLORATION PROGRAMS ARE FOR EXPLORATORY SEARCHES FOR ORE. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FOR FURTHER PARTICULARS, SEE “RISK FACTORS”.

An application has been made to conditionally list the Shares offered herein on the TSX Venture Exchange (the “Exchange”). Listing is subject to the Issuer fulfilling all the listing requirements of the Exchange.

ADDITIONAL DISTRIBUTION OF 2,940,000 COMMON SHARES ISSUABLE UPON THE EXERCISE OF SPECIAL WARRANTS

This prospectus also qualifies the distribution of 2,940,000 Shares, issuable for no additional consideration, upon the exercise of 2,940,000 special warrants (the “Special Warrants”) previously issued by the Issuer at a price of $0.10 per Special Warrant pursuant to applicable statutory exemptions from prospectus and registration requirements. The Agent acted as agent for the Issuer in respect of the sale of 2,000,000 of the Special Warrants (the “Brokered Private Placement”). Employees, brokers and family members of employees and brokers of the Agent purchased a total of 465,000 Special Warrants in the Brokered Private Placement. An additional 1,140,000 Special Warrants being sold as a non-brokered private placement (the “Non-Brokered Private Placement”). On April 14, 2004, 200,000 Shares were issued on the voluntary exercise of 200,000 special warrants. See “Plan of Distribution - Special Warrants”. The issue price of the Special Warrants was determined by negotiation between the Issuer and Agent.

	Number of Special Warrants Issued	Price Per Special Warrant(1)	Net Proceeds to Issuer(1) (2)
Special Warrants - Brokered(3)	2,000,000	$0.10	$184,000
Special Warrant - Non-Brokered	1,140,000	$0.10	$114,000
Total	3,140,000(4)	$0.10	$298,000

(1) The Issuer paid the Agent a cash commission equal to 8% of the gross proceeds of the sale of 2,000,000 of the Special Warrants. The Issuer also issued to the Agent 300,000 non-transferable compensation options (the “Compensation Options”). Each Compensation Option entitles the Agent to acquire one warrant (“Broker’s Warrant”) without additional consideration. Each Broker’s Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period of 12 months from the Closing Date. The issuance of the Broker’s Warrants to the Agent on exercise of the Compensation Option is qualified for distribution hereunder. See “Plan of Distribution”

(2) The Issuer will also pay the Agent a corporate finance fee for acting as Agent of the Offering and the Brokered Private Placement described below in the amount of $30,000 (plus GST) of which $10,000 (plus GST) was paid on the closing of the Brokered Private Placement. See “Plan of Distribution” and “Use of Proceeds”.

(3) Employees, brokers and family members of employees and brokers of the Agent purchased a total of 465,000 Special Warrants.

(4) As of the date hereof 2,940,000 remain outstanding with 200,000 special warrants having previously been exercised.

Certain legal matters in connection with this offering will be passed upon for the Issuer by Thomas, Rondeau, Business Lawyers Vancouver, British Columbia, and for the Agent by Anfield, Sujir, Kennedy & Durno Vancouver, British Columbia.

AGENT

FIRST ASSOCIATES INVESTMENTS INC.
Suite 500, Bentall Five, 550 Burrard St.
Vancouver, BC V6C 2B5

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Issuer:	Queensland Minerals Ltd.
Business of the Issuer:	The Issuer is engaged in the business of mineral exploration in Queensland, Australia through its wholly owned subsidiary, Asmam Pty Ltd. and its objective is to locate and develop economic gold properties of merit. The Issuer's principal project is the Mungana Project. Exploration work on the Mungana Project to date has identified ten prospects with the three most promising being the Mountain Maid, Mount Kitchen and Split Rock prospects. See "Narrative Description of the Business - Description and Location of the Mungana Project" below).
Offering:	6,000,000 Shares to raise gross proceeds of $1,800,000. The Shares are being offered at a price of $0.30 per Share.
Use of Proceeds:	The gross proceeds from the sale of the Shares will be $1,800,000. After deduction of the Agent's commission of $126,000, the Issuer will have net proceeds of $1,674,000. Management of the Issuer estimate the consolidated working capital deficit of the Issuer as at April 30, 2004 to be $100,000. Net Proceeds of the offering, $1,674,000, will be applied against the current liabilities that make up the working capital deficit for available funds after the Offering of $1,574,000 in available funds.

The Issuer intends to use the available funds as follows:

Use of Funds			
1.	To pay the estimated remaining costs of this Offering (including legal, audit and printing expenses)[)]	$	100,000
2.	To pay balance of Agent's corporate finance fee		21,400
3.	Recommend Exploration Program on the Mungana Project as recommend in the REC Report		754,575
4.	Estimated administrative costs for the 12 month period subsequent to the completion of the Offering		594,000
5.	To provide general working capital		104,025
Total Uses of Funds		**$**	**1,574,000**

The Issuer intends to spend the funds available to it on the completion of the Offering as stated in this prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. See "Use of Proceeds".

Escrowed Shares

Pursuant to an escrow agreement, the Principals of the Issuer agreed to deposit in escrow a total of 6,050,000 Shares The Shares will be released from escrow as to 10% on the date of listing of the Shares on the Exchange (the "Listing Date") and the remainder in equal blocks of 15% at 6 month intervals over the 36 months after the Listing Date In addition, 4,000,000 Shares received by QEP on the sale of Asmam to the Issuer will be held in escrow pursuant to an escrow agreement dated May 25, 2004 until such time as the Issuer has demonstrated a minimum of 250,000 oz. of inferred gold equivalent resources on the Mungana Project in a report prepared in accordance with National Instrument 43-101. See "Escrowed Securities - Escrowed Shares".

A total of 2,640,000 Shares issued on the exercise of Special Warrants and an additional 250,091 Shares issued in February of 2004 will be subject to a pooling agreement whereby, 25% of the Shares are to be released on the Listing Date and 25% every three months thereafter. See "Escrowed Securities - Pooling Agreement".

Risk Factors:

An investment in the Shares is subject to a number of risks, all of which should be carefully considered by a prospective investor. Such risks include the risks summarized below (see "Risk Factors"):

- An investment in the securities of the Issuer offered hereunder must be considered highly speculative.
- The Issuer has no history of earnings.
- Resource exploration and development is a speculative business, involving a high degree of risk. All of the Issuer's prospects are in the exploration stages only and are without a known body of commercial ore.
- There is no guarantee that title to the Issuer's properties will not be challenged or impugned.
- The Issuer could lose title to or its interests in tenements if licence conditions are not met or if sufficient funds are not available to meet expenditure commitments.
- Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. There may be sites and objects of significance to indigenous Australians located on the land relating to the Issuer's tenements.
- There is no guarantee that the estimates of inferred resources of gold estimated contained herein are correct.
- The Issuer has limited funding and there is no assurance that the Issuer will be successful in obtaining additional financing as and when needed.
- The Issuer may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure.
- The Issuer's operations may be subject to environmental regulations promulgated by government agencies from time to time. The cost of compliance with changes in governmental regulations has a potential to

reduce the profitability of operations.

- The Issuer intends to fully comply with all environmental regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer
- The properties on which the Offering funds are to be expended do not contain any identified amounts of commercial ore.
- Mining operations are subject to hazards normally encountered in exploration, development and production.
- The mining industry is intensely competitive in all its phases, and the Issuer competes with other companies that have greater financial resources and technical facilities.
- The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects.
- Metal prices are subject to volatile price changes.
- Insofar as certain directors of the Issuer hold similar position with other resource companies, conflicts may arise between the obligations of these directors to the Issuer and such other natural resource companies.
- Several of the directors of the Issuer named herein reside outside of Canada and it may not be possible for investors to effect service of process within Canada upon the directors.
- There can be no assurance that the Issuer will be able to recruit and retain qualified personnel.
- The Issuer's operations incur most expenditures in the local currency of Australia, while most of the funds it raises are Canadian dollars.
- The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained.
- There can be no assurance that fluctuations in price of the Issuer's securities will not occur. Before this Offering, there has been no public market for the Issuer's Shares. An active public market for the Shares might not develop or be sustained after this Offering.
- Investors will suffer immediate and substantial dilution of their investment.
- Income tax consequences in relation to the Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Shares.
- The Issuer has not paid any dividends since incorporation and does not anticipate declaring any dividends on its common shares in the

foreseeable future.

Selected Financial Information

The following table sets out a summary of financial operations for the Issuer during the last two financial years, which information has been derived from the audited consolidated financial statements for the years ended December 31, 2003 and 2002. This summary financial information should be read in conjunction with the Issuer's financial statements, including the notes thereto, included elsewhere in this prospectus.

Summary of Annual Information		
	Years Ended December 31	
	2003	**2002**
Total Revenues	$ --	$ --
Expenses		
Bank Charges	40	--
Office and Administration	18,000	--
Professional Fees	21,948	3,160
Regulatory Filing Fees	350	--
Loss before other Item	(40,338)	(3,160)
Other Item – Foreign Exchange Gain (loss)	3,705	(285)
Loss for the Year	(36,633)	(3,445)
Basic and Diluted Loss Per Share(1)(2)	(0.01)	
Working Capital (deficiency)	(59,616)	(4,794)
Total Assets	731,354	387,511
Due to Affiliated Companies	--	387,509
Shareholder Equity	622,374	(4,794)

Note

(1) There were a total of 3,140,000 Special Warrants issued and outstanding as of December 31, 2003 and 2,940,000 issued and outstanding as of the date hereof. Each Special warrant entitles the holder thereof to acquire a Share at no additional consideration.

(2) Earnings per share is not presented for the year ended December 31, 2002 as the Company was inactive during the year and such disclosure is not considered meaningful.

CURRENCY AND EXCHANGE RATES

In this prospectus, unless otherwise specified all references to "dollars", "CDN$" and to "$" are to Canadian dollars, and references to "Australian dollars" or "A$" are to Australian dollars.

The high, low and average exchange rates reported by the Bank of Canada for the conversion of A$1.00 to Canadian dollars, each based on the nominal noon exchange rate, for the periods indicated are set forth below:

	Four Months ended April 30, 2004	**Year Ended Dec. 31, 2003**	**Year Ended Dec. 31, 2002**	**Year Ended Dec. 31, 2001**
High	1.0490	0.9864	0.8958	0.8565
Low	0.9752	0.8754	0.8052	0.7609
Average	1.0061	0.9105	0.8535	0.8008

The Bank of Canada nominal noon exchange rate on May 28, 2004 for the purchase of one Australian dollar using Canadian dollars was $0.9750 (one Canadian dollar equal to A$1.0256).

GLOSSARY

Except as otherwise defined, the following terms, when used herein, shall have the following meanings:

"A$"	Australian dollars;
"A to P"	"Authority to Prospect"; form of exploration tenure that has now been replaced by the EPM;
"Agency Agreement"	agency agreement between the Issuer and the Agent dated as of May 29, 2004; whereby the Agent agreed to act as agent for this Offering and sponsor for the listing of the Shares on the Exchange;
"Agent"	First Associates Investments Inc.
"Agent's Warrants"	warrants to purchase Shares granted to the Agent pursuant to this Offering, entitling the Agent to purchase that number of Shares equal to 15% of the Shares subscribed to, exercisable for a period of 18 months at a price of $0.30 per Share;
"ALS"	Australian Laboratory Services
"Asmam"	Asmam Pty Ltd., the wholly owned subsidiary of the Issuer;
"Brokered Private Placement"	the private placement of 2,000,000 of the Special Warrants that closed on October 22, 2004 for which the Agent acted as agent for the Issuer;
"Broker's Warrant	a warrant granted to the Agent on the exercise of a Compensation Option, each Broker's Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period of 12 months from the Closing Date.
"CDN$"	Canadian dollars;
"Closing Date"	the date of the closing of the Offering
"Compensation Option"	an compensation option issued to the Agent as part of the Agent's compensation for the Brokered Private Placement, each Compensation Option entitles the Agent to acquire one Broker's Warrant without additional consideration;
"Escrow Agent"	Pacific Corporate Trust Company
"Escrow Agreement"	the escrow agreement dated May 25, 2004 between the Issuer, the Escrow Agent and Principals of the Issuer pursuant to which a total of 6,050,000 Shares are held in escrow.
"Exchange"	the TSX Venture Exchange;
"Greenshoe Option"	an option granted to the Agent to purchase up to an additional 15% of the number of Shares sold under the Offering, exercisable within 60 days of the closing of the Offering to cover over allotments;

"Issuer"	Queensland Minerals Ltd.
"Named Executive Officers"	the individuals who served as Chief Executive Officer and the other executive officers of the Issuer whose total salary and bonus was $100,000 or more for the financial year ended December 31, 2003;
"NI43-101"	National Instrument 43-101 "Standards of Disclosure for Mineral Projects"
"Non-Brokered Private Placement"	the non-brokered private placement of 1,140,000 Special Warrants;
"Offering"	the offering of Shares under this prospectus;
"Plan"	the Issuer's Stock Option Plan;
"Pooling Agreement"	the agreement dated May 25, 2004 between the Issuer, the Escrow Agent and certain holders of special warrants whereby 2,490,000 Shares to be issued on the exercise of Special Warrants will be held for a period of up to nine months;
"QEP"	Queensland Epithermal Minerals Ltd.
"Queensland"	Queensland Minerals Ltd.
"REC"	Resource Equity Consultants Pty Ltd. author of the REC Report
"REC" Report	the independent report dated March 16, 2004 on the Issuer's Mungana Project prepared in accordance with NI 43-101 and entitled "Independent Technical Report Mungana Project North Eastern Queensland, Australia National instrument 43-101"
"SEDAR"	the "System for Electronic Document Analysis and Retrieval" the Canadian Securities Administrators web site to make securities filings accessible to the public (www.sedar.com);
"Shares"	common shares in the Capital of the Issuer; and
"Special Warrant"	special warrants issued by the Issuer at a price of $0.10 per Special Warrant, each entitling the holder thereof to acquire a Share at no additional consideration.

GLOSSARY OF TECHNICAL TERMS

The following terms, when used herein, have the following meanings:

“adamellite”	a granular plutonic rock, less acid than a granite but less basic than a monzonite;
“aeromagnetic”	measurement of the strength of the earth’s magnetic field from an aircraft
“alluvial”	loose deposits previously collected in river systems;
“alteration”	a change to the mineral composition of a rock, typically brought about by the action of hydrothermal fluids;
“anomaly”	value higher or lower than the expected or norm;
“assay”	chemical analysis of rocks;
“augen”	are relatively large, eye-shaped mineral grains in certain types of metamorphic rocks, especially schist and gneiss;
“bismuthinite”	a mineral; a sulfide of bismuth;
“BLEG sampling”	bulk leach extractable gold sampling;
“breccia”	a rock composed of angular fragments of rock embedded in a matrix of younger age rock;
“Carboniferous”	rocks of middle Palaeozoic age;
“conglomerate”	a cemented sedimentary rock containing rounded fragments of gravels and pebbles;
“costean”	a slot cut from surface, usually by a backhoe, to allow examination of geological strata;
“Cretaceous”	the youngest of the three periods in the Mesozoic era; the age of a rock;
“cross section”	a profile perpendicular to the long axis of a tabular body;
“dacite”	an extrusive volcanic rock of intermediate composition;
“diamond drilling”	rotary drilling using diamond bits, used to produce a solid core of rock;
“dike”	a volcanic intrusion that separates previously adjacent rock structures
“disseminated”	mineralization distributed throughout a rock
“epithermal”	a term applied to those mineral deposits formed in and along fissures or other openings in rocks at shallow depths from ascending solutions of moderate temperatures;

“fault”	a break in rock strata continuity with strata remaining parallel but displaced relative to one another on either side of the fault;
“feldspar”	a group of abundant rock forming minerals;
“foliation”	the arrangement of a set of minerals in parallel, sheet-like layers that lie perpendicular to the flattened plane of a rock;
“g/t”	grams per tonne (same as ppm - parts per million);
“GDA 94”	the Geocentric Datum of Australia 1994;
“geochemistry”	the study of the abundances of elements in rocks;
“gneiss”	foliated rock formed by regional metamorphism;
“gossan”	a ferruginous deposit formed by the oxidation at the surface of sulfide minerals;
“grade”	the relative quantity or percentage of metal or ore mineral contained in mineralization;
“granite”	coarse grained acid igneous rock containing quartz and feldspar;
“granodiorite”	a plutonic intrusive rock consisting of quartz, feldspar and mafic minerals;
“head grade”	the grade of ore as delivered to a treatment plant;
“heap leaching”	a process used for the recovery of gold or metals which relies upon the dissolution of metal into a solution;
“hydrothermal”	pertaining to hot emanations of magma, rich in water;
“igneous”	formed by solidification from a molten or partially molten state;
“leaching”	the dissolution of minerals components from ore by appropriate chemicals;
“magnetite”	magnetic iron oxide;
“matrix”	the smaller sized rocks particles in a mixed rock strata;
“Mesozoic”	a geological era (comprising the Cretaceous, Jurassic and Triassic Periods), corresponding to approximately 65 to 225 million years before present;
“metallurgy”	the science and technology of metals;
“metamorphic”	rocks formed in response to pronounced changes in temperature, pressure or chemical environment;
“mica”	plate like, semi-transparent minerals;

"mineral reserve"	the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. With decreasing levels of confidence, reserves can be classified as proved or probable;
"mineral resource"	a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge; with decreasing levels of confidence, a resource may be classified as measured, indicated or inferred;
"mineralization"	the group of minerals of interest; generally taken to be sulfide or precious metal minerals;
"molybdenite"	a mineral; a sulfide of molybdenum;
"open pit"	the main type of mine designed to extract minerals close to the surface; also known as open cut;
"Ordovician"	a geological period within the Palaeozoic Era;
"ore"	material which can be mined and/or treated at a profit;
"outcrop"	the part of a rock formation which appears at the surface of the ground;
"Palaeozoic"	an era of geological time, from 245 to 570 million years ago;
"pegmatite"	coarse grained igneous rocks usually found as dikes;
"percussion drilling"	drilling method used for the recovery of samples using a hammer action to break the rock;
"Permian"	a geological age generally associated with the laying down of coal seams;
"pluton"	an intrusive rock, as distinguished from the preexisting country rock that surrounds it;
"porphyry"	igneous rocks containing coarse phenocrysts in a fine grained ground mass;
"potassic"	pertaining to potassium;
"Precambrian"	the oldest geologically aged rock Shares;
"Proterozoic"	the younger of two Precambrian geological ages;
"pyrite"	common iron sulfide mineral;

"quartz"	silica or silicon dioxide, a very common mineral;
"radiometric"	measurement of radioactivity;
"rhyolite"	a fine grained igneous rock containing more than 65 per cent silica, often as quartz;
"schist"	a medium to coarse grained metamorphic rock with sub-parallel orientation of micaceous minerals;
"sediment"	rocks formed by transportation of particles by air, water or ice;
"sericite"	a fine grained mica, usually muscovite;
"silica"	silicon dioxide, ie quartz mineral;
"skarn"	a rock comprised nearly entirely of lime-bearing silicates;
"soil sampling"	systematic collection of soil samples at a series of different locations to study the distribution of soil geochemical values;
"stockworks"	a rock mass interpenetrated by veins;
"strike"	the course or bearing of the outcrop of an inclined bed on a level surface;
"sulfide"	a mineral compound characterised by the linkage of sulphur with a metal;
"tectonic"	structures resulting from the deformation of the earth's crust;
"volcanic"	pertaining to the activities, structures or rock types of a volcano; and
"xenolith"	an inclusion of foreign rock matter, generally in igneous or metamorphic rocks.

CORPORATE STRUCTURE

Name and Incorporation

Queensland was incorporated under the laws of British Columbia by registration of its Memorandum and Articles on February 15, 1996 under the name "G.L. March & Associates Ltd." The Issuer continued its incorporation under the *Business Corporations Act* of the Yukon Territory and changed its name to "Queensland Minerals Ltd." effective as of January 30, 2004. On April 14, 2004, the Issuer continued its incorporation under the *Business Corporations Act* of British Columbia

The Issuer's head office is located at 90 Magazine Street, Stratford, Cairns, Australia QLD 4870. The Issuer's registered and records office is located at Suite 1525 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

Intercorporate Relationships

The Issuer has one wholly owned subsidiary, Asmam Pty Ltd., ("Asmam") which was incorporated under the laws of the state of Queensland, Australia on March 4, 1994. Asmam's head office is located at 90 Magazine Street, Cairns, Queensland, Australia 4870 and its records and registered office at Level 1, 74 Abbott Street, Cairns, Queensland, Australia 4870.

GENERAL DEVELOPMENT OF THE BUSINESS

General

The Issuer is engaged in the business of mineral exploration in Queensland, Australia through its wholly owned subsidiary, Asmam. Its objective is to locate and develop economic gold properties of merit. The Issuer's principal project is the Mungana Project which is located in the State of Queensland, Australia as set out in Figure 1 below (prepared by REC, see "Narrative Description of the Business - Technical Report and Qualified Persons below). Exploration work on the Mungana Project to date has identified ten prospects with the three most promising being the Mountain Maid, Mount Kitchen and Split Rock prospects.

Recent History

The Issuer entered into an agreement as of September 15, 2003 with Queensland Epithermal Minerals Ltd. ("QEP") whereby the Issuer purchased from QEP all the issued and outstanding shares of Asmam for the purchase price of $500,000 paid by the issuance of 5,000,000 Shares of the Issuer at a deemed price per share of $0.10. QEP is a controlling shareholder of the Issuer and a company controlled by Mr. Marton, a director, and the President of the Issuer. The acquisition of Asmam closed concurrently with the Brokered and Non-Brokered Private Placement described below on October 22, 2003. Prior to the acquisition of Asmam the Issuer had been inactive since its incorporation.

Asmam entered into an asset purchase agreement dated as of September 15, 2003 with QEP whereby Asmam acquired from QEP certain mineral tenements that make up the Mungana Project. The purchase price of $500,002 was paid by the issuance to QEP of 500,002 fully paid ordinary shares in the capital of

Asmam with a face value of $1.00 per share. Prior to the acquisition of the Mungana Project, Asmam was a company controlled by Al S. Marton.

As part of the acquisition of the mineral tenements Asmam agreed to assume the obligations of QEP in respect of the tenements including an obligation to pay A$2,000,000 in the event that 100,000 ounces of gold is produced from one of the tenements, EPM 10679. The payment is to be made to an unrelated third party company that sold its interest in EPM 10679 to QEP and subsequently surrendered its rights to royalties and a repurchase option.

On October 22, 2003, the Issuer completed a financing of $314,000 consisting of the Brokered Private Placement of 2,000,000 Special Warrants and the Non- Brokered Private Placement of 1,140,000 Special Warrants. The Special Warrants were issued at a price of $0.10 per special Warrant and each Special Warrant entitles the holder thereof to acquire one Share for no additional consideration.

Trends

There has been recently significant volatility in prices of gold and in particular the price of gold has generally been on a rising trend in the past three years. This volatility, and the recent rise in the price of gold, can be attributed in part to ongoing events in the Middle East and the weakening of the U.S. economy and the U.S. dollar. The Issuer cannot be certain as to whether or not this recent trend will continue or even reverse. In the opinion of management of the Issuer this trend may have an impact on the mining industry in general or the business of the Issuer.

It is not possible for the Issuer to accurately predict what effect, if any, the trends described above will have on the future prospects of the Issuer. However, the Issuer has no reason to expect that it will be more positively or negatively effected by such trends than will other similar mining exploration and development companies.

NARRATIVE DESCRIPTION OF THE BUSINESS

Technical Report and Qualified Persons

The following descriptions and summaries of the Mungana Project are based upon an independent technical report prepared by REC pursuant to NI 43-101. The report is dated March 16, 2004 and is entitled “Independent Technical Report Mungana Project North Eastern Queensland, Australia” (the “REC Report”). Please refer to the REC Report for a complete description of the Mungana Project and the figures and tables and references contained therein, some of which are referred to in the following sections. The REC Report is accessable on SEDAR.

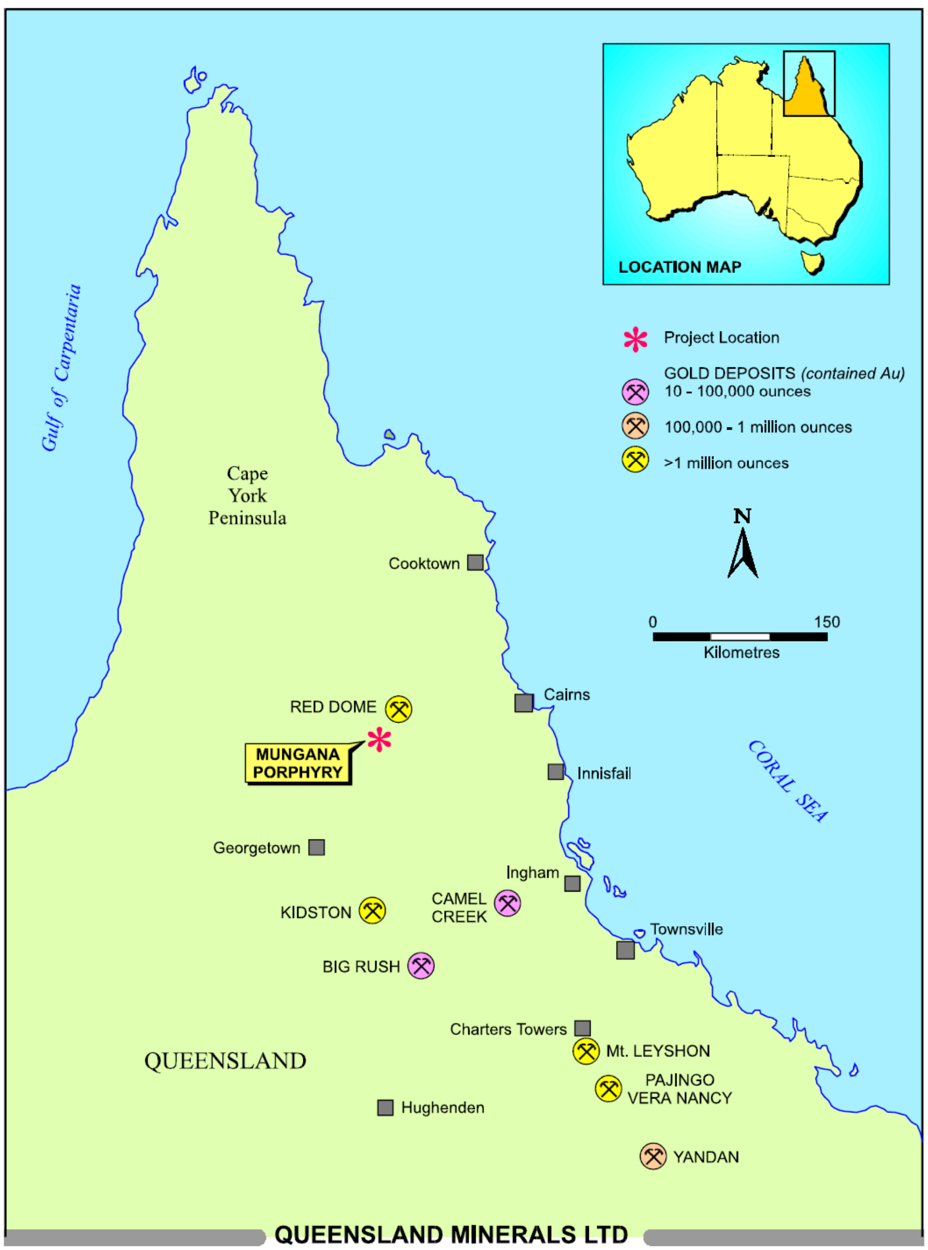
Stated Business Objectives and Milestones

The Issuer’s primary business objective following completion of the Offering is to discover economic gold mineral deposits on its Mungana Project. The net proceeds of the Offering will be used to pay for the balance of the costs of the Offering to carry out the phase one exploration program recommended in the REC Report, to pay for the Issuer’s administrative costs for the next twelve months and for general working capital. The Phase One exploration program will include testing of advance targets by diamond and percussion drilling, and to advance the exploration of other prospects with systematic geochemical and geological mapping. See “Description and Location of the Mungana Project - Recommend

Exploration Program" below. A second phase program of follow-up and in-fill drilling is contingent on positive results from the Phase one program.

If the results of the Phase One exploration program prove to be encouraging, the Issuer will likely require additional capital prior to conducting further exploration work. If the results do not warrant further exploration activity, the Issuer will need to revise its business plan and objectives, which revisions may include the acquisition of additional mineral properties or businesses or joint ventures with other exploration or mining companies. Such activities will also likely require that the Issuer raise additional capital. The additional capital may come from future financing or through option agreements or other joint venture arrangements with one or more third parties. There can be no assurance that the Issuer will be able to raise such additional capital if and when required. See "Use of Proceeds" and "Risk Factors".

Figure 1 - Location of Projects (prepared by REC)



Description and Location of the Mungana Project

Property Description and Location

The Mungana project is located in the Mareeba Mining District of the State of Queensland in northern Australia (see Figure 1). The project covers a combined area of approximately 331 square kilometres or 33,100 hectares and comprises four granted Exploration Permits for Minerals ("EPM's") that total 43 sub-blocks and one EPM application that totals 63 sub-blocks as shown in Figure 2. The geographic centre of the project is approximately latitude 17° 5' South, longitude 144° 5' East. The tenements form a contiguous block. QEP is currently the registered owner of all the EPMs and EPM applications as set forth in Table 1 below. Transfers have been lodged to assign the EPMs to Asmam but as of the date hereof the transfer have not been registered. The Issuer intends to lodge a transfer to assign the EPM that is the subject of the EPM application to Asmam, once that EPM is granted.

Table 1 - Asmam - Mungana Tenements					
Granted Tenements					
EPM Number	**Owner**	**Date Granted**	**Block Identification Map (BIM)**	**Block Number**	**Sub-Blocks**
8939	QEP[1]	19 August, 1992	Townsville	937	h, n, r, s, v, w, x, y
10679	QEP[1]	18 August 1995	Townsville	937	j, k, o, p, t, u
			Townsville	938	f, g, h, l, m, n, q, r, s
10706	QEP[1]	5 September, 1995	Townsville	865	n, s, t, y
			Townsville	937	d, e
			Townsville	938	a, b, c, d, j, o, p, t, u, y
10770	QEP[1]	10 November, 1995	Townsville	865	u
			Townsville	866	m, q, r
				938	e
Tenement Applications					
EPM Number	**Owner**	**Date Granted[1]**	**Block Identification Map (BIM)**	**Block Number**	**Sub-Blocks**
14222	QEP[2]	22 August , 2003	Townsville	865	l, m, o, p, q, v, w, x
			Townsville	866	l, n, o, p, s, t, u, y, z
			Townsville	867	w
			Townsville	937	z
			Townsville	938	k, w
			Townsville	939	a, b, f, g, l, m, q, r, v, w
			Townsville	1009	a, b, c, d, f, g, h, u
			Townsville	1010	b, c, d, e, h, j, k, l,, o, p, q, r, s, t, u, x, y, z

			Townsville	1011	a, b, f ,l ,q, v
			Townsville	1158	u, z
			Townsville	1159	q,r,v,w
			Townsville	1300	u,z
			Townsville	1373	a,b,c,d,e,f,l,p,q,t,u,v,w, x,y,z

Notes:

(1) Transfers have been lodged with the Department of Natural Resources Mines and Energy to assign the Tenements to Asmam. These transfer, as of the date hereof have not been registered.

(2) An EPM application once lodged with the Department of Natural Resources Mines and Energy will continue to show the name of the Original applicant, QEP. Once granted a transfer will be submitted to assign the tenement to Asmam.

In Queensland an EPM is a form of tenure granted by the State Government that provides the holder with exclusive surface exploration rights to a designated block of ground, subject to compliance with certain terms and conditions under which the title is granted. Two of the principal conditions that attach to an EPM are the payment of annual rent and a designated annual exploration expenditure requirement. Rent payments are made to the government of Queensland and are proportional to the size of the tenement. The annual expenditure requirement is at the discretion of the Minister of Natural Resources and Mines of the State of Queensland and is based on several factors. These include the size of the tenement, current metal prices and on the level of exploration activity in the state. Excess expenditures in any year may be applied towards exploration commitments in subsequent years.

The initial term of grant of an EPM is two years. Subsequent renewals are normally for a period of one year and, unless special circumstances can be demonstrated, require the holder to reduce the area of the tenement by fifty percent for each renewal.

Two small mining leases held by Asmam which are excluded from the area of the above cited EPMs and EPM Application are follows:

Table 2 - Areas Excluded from the Mungana Project Tenements			
Mining Lease No.	**Owner**	**Area (hectares)**	**Locations**
ML 5194	J. Wood	60	Barkers Creek
Unknown	Unknown	75	Cardross Mine

Other than for exploration, surface rights over the project area are held in the form of Pastoral Leases, none of which are owned by the Issuer.

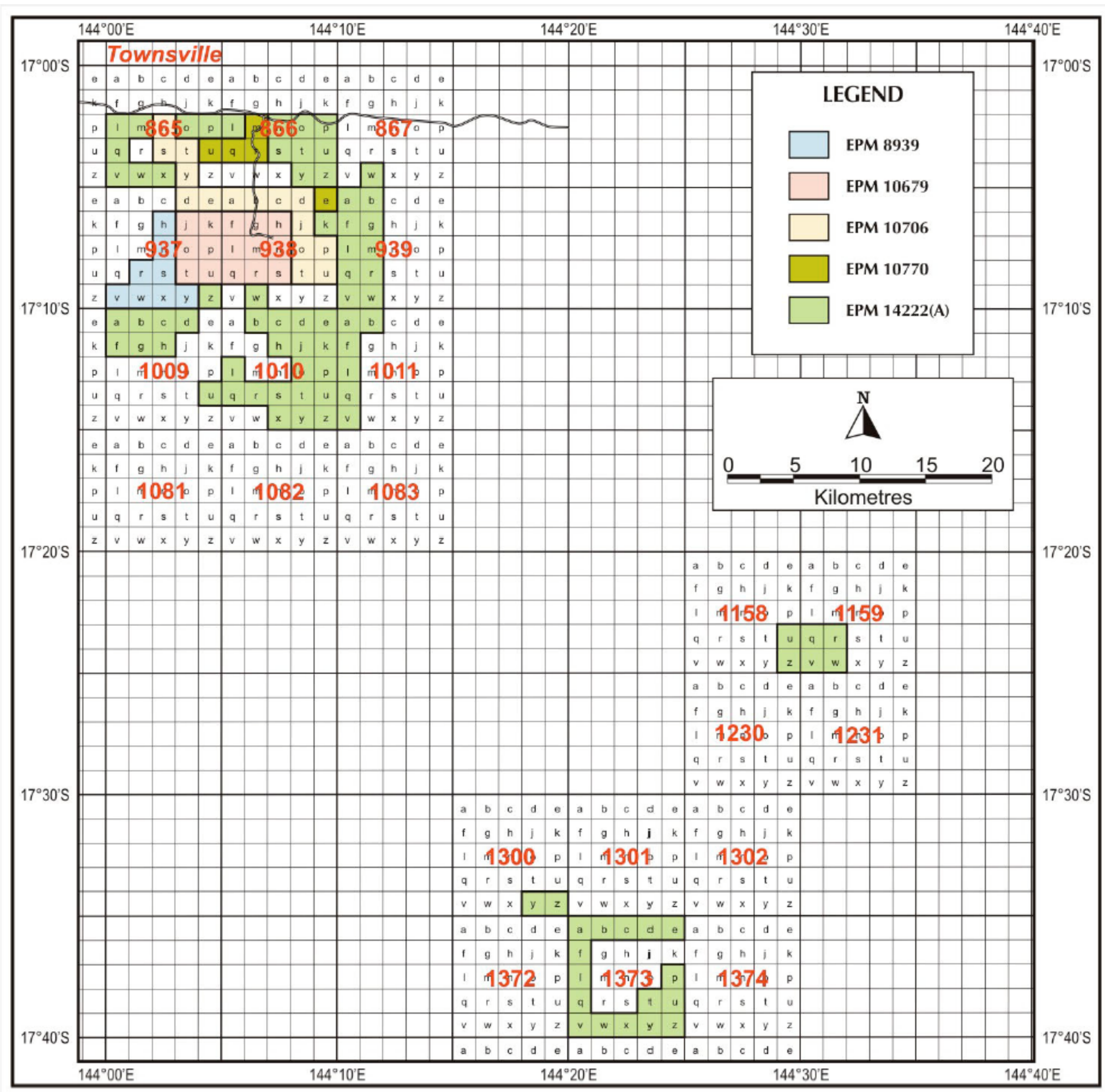
The property has not been legally surveyed and therefore the precise location of the EPM boundaries on the ground has not been established. The State of Queensland utilises a “map staking” system of exploration permit application and the tenement boundaries correspond precisely to lines defined by latitude and longitude based on the GDA 94 datum.

Under the Queensland Mineral Resources Act 1989, a royalty amounting to 2.7 percent of revenue from gold and silver production is payable quarterly to the government by all producing mines in the state, subject to a statutory annual exemption per producing unit of $30,000.

Current Queensland State legislation requires that an archaeological study be conducted over the area of each application prior to the grant of an EPM. Such studies have not been conducted for EPM Application 14222 as of the date of this report.

The Issuer is not aware of any environmental issues pertaining to the project area. Surface disturbance associated with the preparation of drill sites has been restored in accordance with the terms and conditions of the respective EPMs. The drill site for hole MMD-37, completed in late November 2003 on EPM 10679, will be restored in due course. All EPM holders are required to lodge a bond with the Queensland Department of Natural Resources and Mines to ensure that proper restoration work is carried out.

Figure 2 - Tenement Map (prepared by REC)



Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Mungana project is located on the Atherton Tableland 180 kilometres west of the port city of Cairns, north Queensland and 45 kilometres west of the community of Chillagoe (pop 500) as shown in Figure 1 above. Access is via 190 kilometres of all-weather paved highway from Cairns through the towns of Mareeba and Dimbulah to the village of Chillagoe followed by 50 kilometres of gravel secondary road north and west of Chillagoe to the Cardross Dam turn-off. A further 10 kilometres of dirt track southerly past the Cardross Dam provides access to the geographic centre of the project area at the Mountain Maid prospect. The region generally enjoys a year-round operating season for exploration, although this can be temporarily interrupted during the northern wet season from December through April due to intermittent flooding of Muldiva Creek between Chillagoe and the Cardross Dam turn-off.

Topography over the project area is flat to gently undulating with some steep-sided mesas and is at a mean elevation of about 250 metres. Mount Kitchen at 335 metres and unnamed hills at an elevation of 346 metres that are capped by flat-lying Cretaceous sandstones near the eastern property boundary form the most prominent topographic landmarks. Vegetation consists of light savannah woodland and open stands of gum trees (eucalyptus) with underlying pasture grassland and pockets of low-lying scrub. Average rainfall in the area is about 40 centimetres. The main land use is beef cattle grazing. Surface transportation in the region is mostly via four-wheel drive vehicles and long-haulage trucks.

Permanent surface water is stored in four earth dams on the tenements. The largest of these is the Cardross Dam with an estimated capacity of about 1 million cubic metres. Other reservoirs would be inadequate for anything other than a very small-scale mining operation. The Walsh River, situated 10 kilometres north of the project area, is the closest perennial water source. The nearest power line is at Chillagoe. Abundant flat terrain on the tenements provides numerous sites that would be potentially suitable for any future processing plant, tailings and waste rock disposal and heap leach pads.

History

Historical Mining

The old mining centre of Cardross is situated close to the northern boundary of the project area as shown in Figure 2. A 75 hectare mining lease covering the Cardross mine is owned by a third party and is excluded from the Mungana Project tenements. The mine produced 2,000 tons of copper, 2,200 ounces of gold and 87,200 ounces of silver from 18,000 short tons of ore between 1912 and 1915. Based on these figures estimated recovered grades are 11 percent for copper, 0.12 ounces per ton for gold and 4.8 ounces per ton for silver. The mine shut down in 1918. Mined ore occurred as isolated high-grade shoots and fissures within a major NNE-trending shear zone in Proterozoic Dargalong Metamorphics.

The Mountain Maid mine is located near the northern boundary of EPM 10679 and 1.5 kilometres west of the current exploration prospect with the same name. The mine has two shafts and a small open pit, all aligned on a probable east-west shear zone over a distance of 60 metres. Mineralization occurred as pods in Dargalong Metamorphics. Some ore was reportedly processed at the Cardross smelter, but no production figures are available.

The Spaniard prospect situated 2.5 kilometres north of the Mountain Maid mine, is also thought to have been worked in the early 1900’s. A north-westerly line of trenches exposed oxide copper in a fracture zone in Nundah Granite at this location. No production is recorded.

A north-south trending line of small prospecting pits and shallow shafts on the eastern side of Noonday Creek were worked probably for gold. Dump sampling by QEP has returned values up to 5.45 grams per tonne gold along with anomalous bismuth.

Minor alluvial gold and tin mining took place near the south-east limit of the project area on Barkers Creek and it's tributaries, at Bakers Camp, Nundah Creek and along Williamstown Creek. In the Williamstown Creek area, small-scale placer mining took place as recently as fifteen years ago by Sabena Resource Ltd.

Previous Exploration

Cyprus Mines Corporation ("Cyprus Mines") carried out exploration in the Mungana Porphyry area between 1969 and 1974 under Authority to Prospects ("A to P") 562M and 916M and discovered the Split Rock porphyry copper prospect using stream geochemistry in 1969. That company carried out systematic geological, geochemical and geophysical surveys at Split Rock and drilled 4 percussion holes for 677 metres and seven diamond drill holes totalling 1,824 metres. Widespread, low-grade, copper mineralization (in the order of 0.1 percent copper) was intersected in these holes. Some zones of higher grades (for example, 21 metres at 0.61 percent copper in hole 6M-5D) were also recorded. Several variably sericite altered dikes of quartz porphyry, felspar porphyry and felsite outcrop in the area, and in places contain small visible quantities of copper oxides. J.C. Goudie in a thesis (1976) concluded that mineralization was related to these dikes and suggested the possibility that a larger mineralized stock might be present at depth.

Houston Oil and Minerals Limited explored the area over a two year period from January 1980 under tenure of A to P 2298M. Mapping on air photos and stream sediment sampling delineated two areas of interest for follow up work. Survey grids were established at the Detonators-Barkers Creek and Priors Creek prospects and both were systematically soil sampled. Detailed mapping and rock chip sampling was completed on four traverses at Barkers Creek to obtain a better understanding of the cause of the gold and tin soil anomalies. Although extensive areas of weak hydrothermal alteration were defined, mineralization was found to be confined to thin quartz veins and the immediately adjacent strongly altered wall rocks. The tenement was relinquished at the end of 1981.

A to Ps 4776M, 4777M and 4778M in the Mungana district, were held and explored by Epithermal Gold Pty Ltd a predecessor company of Arany Holdings Pty Ltd ("Arany") and QEP between 1987 and 1989. These tenements covered much of the ground now held under EPMs that make up QEP's Mungana project area. Epithermal Gold Pty Ltd conducted regional stream sediment sampling, which incorporated both conventional multi-element ICP analysis and BLEG techniques, between 1987 and 1989. A total of 51 samples were collected, some of which detected anomalous values for gold, silver, bismuth, arsenic and antimony. Follow-up investigation concentrated on areas of epithermal quartz veining located to the east of the present tenements.

EPM 8939 is part of the current tenement package and was originally acquired by Arany in August 1992. This property was explored for the first twelve months under a joint venture with Poseidon Gold Limited ("Poseidon"), the project's manager. The initial exploration targets sought by the joint venture comprised high-level intrusions and associated epithermal quartz vein systems, but later changed to porphyry and breccia style mineralization of the Mount Leyshon and Kidston types. Following a literature review, the joint venture completed an interpretation of data from previous airborne geophysical surveys. Regional BLEG stream sediment sampling together with follow-up prospecting, rock chip and soil sampling outlined two areas of interest at the Pelican Dam and South-east Corner prospects.

These prospects were systematically soil sampled on 100 metre grid lines, but no strong anomalies were observed. Numerous quartz-breccia, stockwork vein and gossanous zones with consistently anomalous gold values in rock chip sampling were reported from both prospects. The Pelican Dam prospect is situated adjacent to an isolated magnetic anomaly, the cause of which has yet to be explained.

In 1993, A to P 4776M was voluntarily relinquished and re-granted as EPM 8939 in order to comply with the Queensland Department of Natural Resources and Mines administrative system change from A to Ps to EPMs.

Between 1994 and 1996, EPM 8939 was held under option by Cyprus Gold Australia Corporation ("Cyprus Gold") and was explored in conjunction with its adjoining wholly owned EPM 10679. Initial exploration comprised reconnaissance stream sediment and rock chip sampling followed by detailed aeromagnetic and radiometric surveys. The new airborne data was integrated and merged with results acquired from previous surveys to give coverage over the entire tenement package. Geophysical interpretation by Cyprus Gold defined several major structures that provided support for the targets that were emerging at that time from geochemistry and geology.

In EPM 8939, soil sampling was completed on grids at Mount Kitchen and Ten Mile Yard in the first year together with rock chip sampling, trench sampling and detailed mapping at the Mount Kitchen prospect. Several geochemical anomalies were defined at Mount Kitchen but were contained mostly within and around ML 5194. Systematic grid-based soil sampling was subsequently extended to cover an area of approximately 12 square kilometres, some of which was contained within EPM 10679. The extensions incorporated the area of the old mine workings at Mount Kitchen. Soil and costean results indicated a geochemical association between gold and bismuth, molybdenum, copper, tellurium and antimony. These anomalies were tested with twenty one reverse circulation percussion holes and one diamond core hole for a total of 2,501 metres. Nine of these percussion holes for a total of 952 metres were drilled in the Mount Kitchen sector. Low-grade gold mineralization associated with high temperature quartz veins was intersected in several of the holes. The best intersections were in holes BRC-10 (12 metres from 48 to 60 metres down hole averaged 0.52 grams per tonne gold) and BRC-13 (102 metres from 36 to 138 metres down hole averaged 0.12 grams per tonne gold). Both these holes are situated within ML 5194 and are excluded from the project area.

At the Mungana Porphyry prospect, Cyprus Gold completed grid-based soil sampling over an area of approximately six square kilometres. Five percussion holes were drilled for a total of 618 metres. No significant results were obtained. Four percussion holes for 472 metres were drilled at the Ten Mile Yard prospect and two percussion holes for 38 metres tested the Roadside Adamellite prospect.

Surface exploration by Cyprus Gold at the Mountain Maid prospect comprised grid-based soil and rock chip sampling, geological mapping and included an orientation geochemical study using the mobile metal ion technique. Results of these surveys were followed-up by two programs of diamond and percussion drilling. A total of four diamond drill holes for 1,071 metres and twenty five reverse circulation percussion holes for 1,959 metres were completed. The outcome of this work was the discovery of a large, low-grade gold system hosted in variously altered and quartz veined Nundah granite and monzonite porphyry. The presence of the monzonite porphyry was not recognised by Cyprus Gold. REC inspected diamond drill core from this prospect during an initial site visit in 1995 and observed significant zones of high temperature quartz veining in sections that had recorded gold assays in the range 0.1 to 0.4 grams per tonne. Detailed geological mapping and close examination of drill core by Cyprus Gold identified five generations of quartz veins, each with distinctive alteration types and metal associations. In addition to gold, in places these quartz veins contain geochemically anomalous levels of tungsten, tin, bismuth, molybdenum, arsenic, copper, lead, tellurium and antimony. The most significant intersection was that made in hole BMD-4 which averaged 0.3 grams per tonne gold over a continuous 275 metre interval from the surface.

The Pelican Dam prospect was mapped and rock chip sampled by Cyprus Gold. No soil sampling or drilling was done at this locality. In 1998, continued work on EPM 10679 involved a re-evaluation of all previous Cyprus Gold data, as well as grid rehabilitation, geological mapping, soil sampling, and prospecting of aeromagnetic anomalies. This exploration was funded by Arany under an option agreement with Cyprus Gold until 1999 when Arany exercised it's option and purchased Cyprus Gold's interest to acquire 100 percent ownership of EPM 10679. Arany drilled two further diamond core holes for a total of 404 metres at the Mountain Maid prospect during 1999. Both holes intersected quartz vein stockworks hosted by Nundah granite and quartz monzonite porphyry and contained broad intervals of low-grade gold mineralization.

In 2001, Arany changed its name to Queensland Epithermal Minerals Ltd. (QEP).

Exploration work by QEP between 1999 and 2002 consisted of microscopic examination of panned concentrates from creeks in the Mount Kitchen area and prospecting at Callighan Springs and Bakers Camp. Aeromagnetic anomalies in these areas were also investigated. Extensive re-logging and petrographic analysis of the Mountain Maid drill core and reverse circulation percussion drill chips was completed. The results of this study highlighted the porphyry gold potential of this prospect and the project area in general. A limited program of stream sediment sampling was done around the Mesozoic mesas escarpments in the region and bottle roll cyanidation gold extraction tests were performed byNewmont Metallurgical Services, Englewood Colorado on a selected drill core sample from Mountain Maid.

Geological Setting

The Mungana Project is located within the major North Queensland tectonic sub-division known as the Georgetown Inlier. The local geology is characterized by a complex suite of metamorphic and igneous rocks, the oldest of which are generally well-foliated quartz-muscovite schists and gneisses of the Proterozoic Dargalong Metamorphics. These basement lithologies have been intruded by the large Nundah Granite pluton that ranges in composition from granite to granodiorite. The intrusion has a typically medium to coarse-grained texture but is often megacrystic and can vary locally to pegmatite. In outcrop the granite is most often strongly foliated, and shows brecciation of the megacrysts and development of feldspar augen. Metasedimentary xenoliths are a common feature, particularly along the contact zones where the granite has consumed the schist to varying degrees. In these areas the granite can be confidently described as being strongly contaminated. The age of the Nundah Granite was formerly thought to be Proterozoic but more recent data indicates a likely Ordovician-Silurian age. Past workers have cited foliation and gneissic textures in support of the older age.

A variety of small granite stocks and porphyries of Late Carboniferous to Early Permian age intrude the older formations. These intrusions range in composition from granodiorite to tonalite and, unlike the Nundah granite, are non-foliated and contain no schist xenoliths. Late-stage, more acid phases comprise north-south and north-east and north-west trending dikes that have previously been described as rhyolite, felsite and dacite porphyry together with irregular shaped bodies of monzonite porphyry. The monzonite porphyry is host to gold mineralization at Mountain Maid and intrusions of similar composition may also be closely associated with mineralization at Mount Kitchen and Split Rock.

Early Cretaceous quartzose sandstones, grit, conglomerates and silty beds belonging to the Gilbert River and Bulimbula Formations unconformably overlie the older rocks, mostly to the west of the project area. Elsewhere the sandstones occur as small outliers up to 30 metres thick. One of these outliers is present along the eastern border of the project area. Locally these younger rocks are known as the Wrotham Park Sandstone. Bedding features within the Cretaceous sediments are typically horizontal and weathering and erosion of the edges of the mesas has formed steep escarpments that are 10 to 15 metres high. In places to the south-west, windows within the Mesozoic sediments expose rhyolites and rhyodacites of Carboniferous age that belong to the Galloway Volcanics formation.

On a regional scale the Mungana Project is situated on the western side of the major north-north-west trending Palmerville Fault. The former Red Dome copper-gold mine near Chillagoe also lies on this structure. On a local scale, recent detailed mapping has shown four distinct preferred structural orientations that are related to dike lithologies, shear zones, faults and quartz vein distribution. Several lineaments and a well- defined circular feature are evident in landsat and aeromagnetic images. The significance of these structures with respect to mineralization is yet to be determined. Copper-gold-silver mineralization is present along a major north-east trending structure at the old Cardross Mine.

Deposit Types

The three most promising prospects being developed in the Mungana project area are those at Mountain Maid, Mount Kitchen and Split Rock. They are best described as porphyry-style targets where low-grade gold, and in the case of Split Rock, copper and silver mineralization is widely distributed as fine disseminations and in quartz veins and quartz vein stockworks. The mineralization is typically associated with, and hosted by, late-stage porphyritic igneous intrusions. Throughout the world, economic porphyry-style deposits are mostly large in size and are developed by bulk open cast and large-scale block cave underground mining methods.

The Mungana mineralization is considered to be similar in many respects to that of the Fairbanks District in Alaska. Low-grade porphyry related gold deposits are becoming an increasingly important source of the metal. There are three major deposits in the Fairbanks District, the largest of which is Fort Knox owned by Kinross Gold, USA. Prior to the commencement of mining in 1997 the Fort Knox deposit had reserves of 158.3 million tonnes at an average grade of 0.83 grams per tonne gold using a 0.39 grams per tonne gold cut off. Annual open pit production is 350,000 ounces.

Gold mineralization at Fort Knox is hosted entirely within the Cretaceous Fort Knox granite – granodiorite pluton and in this regard is similar to the Dublin Gulch deposit in the Yukon, but differs from both the True North and Pogo deposits, both of which are also in the Fairbanks District. At True North and Pogo most of the gold mineralization occurs in Proterozoic to mid-Paleozoic gneiss terrain marginal to Cretaceous granite stocks. All deposits have a very low total sulfide content and are characterized by a strong geochemical association between gold and bismuth, tungsten, molybdenum and tellurium.

Deep oxidation is a feature of both the Fort Knox and True North deposits however it is not known to what extent, if any, secondary enrichment has been responsible for the enhancement of gold grades.

The Kidston, Mt. Leyshon and Red Dome mines are major gold deposits located in northern Queensland in similar geological settings to that of the Mungana project. All three have produced in excess of one million ounces of gold during their mine life. Kidston and Mt. Leyshon are large, low-grade gold deposits in breccia pipes and sheeted veins associated with high-level, Permo-Carboniferous granitic intrusion. Prior to its' closure in 1996 gold and copper mineralization mined at Red Dome mine was hosted by skarn and hydrothermal breccias and porphyries associated with late Carboniferous-early Permian granitic intrusions.

Minor high-level epithermal quartz veins have been noted in the project area and there is also potential for tin-tungsten bearing quartz vein deposits as well as shear hosted gold-copper mineralization similar to that found in the old Cardross and Mountain Maid mines.

Mineralization

The Mungana project includes ten mineral prospects that are at varying stages of development as depicted in Figure 3. The following is a brief summary of the prospects:

Prospect Name	Nature of Mineralization	Comments
Mountain Maid prospect	Quartz vein stockwork (Au)	7 core holes, 25 RC holes.
Mountain Maid mine	Shear zone (Cu)	Historical Cu production.
Split Rock	Disseminations (cpy, py) (Cu)	Cu potential. Drilled in early 1970's.
Mount Kitchen	Quartz vein stockwork (Au); large gold soil geochemical and alteration anomaly.	1 core hole, 21 RC holes.
Callighan Springs	Veins with Cu, Ag, Sb	Untested by drilling.
Poison Creek	Geochemical anomaly (As) in stream sediments.	Untested.
Spaniard	Shear vein in Nundah granite (Cu)	Very old prospect. No recent work.
Barkers Creek	Site of alluvial gold, tin placers.	Historical production. Area now included with Mount Kitchen prospect.
Bakers Camp	Alluvial gold.	Historical production.
Mungana Porphyry	Gold-bearing quartz veins and soil gold anomaly over very large area (2,300 x 700m)	Priority exploration target area. 1 RC hole.
Noonday Creek	Historical alluvial prospect. Geochemical anomaly (Au)	Raw geochemical anomaly.
Williamstown Creek	Area of historical and contemporary alluvial gold, tin mining.	Primary gold potential untested.

(From Table 8 Mungana Project - Prospects of the REC Report)

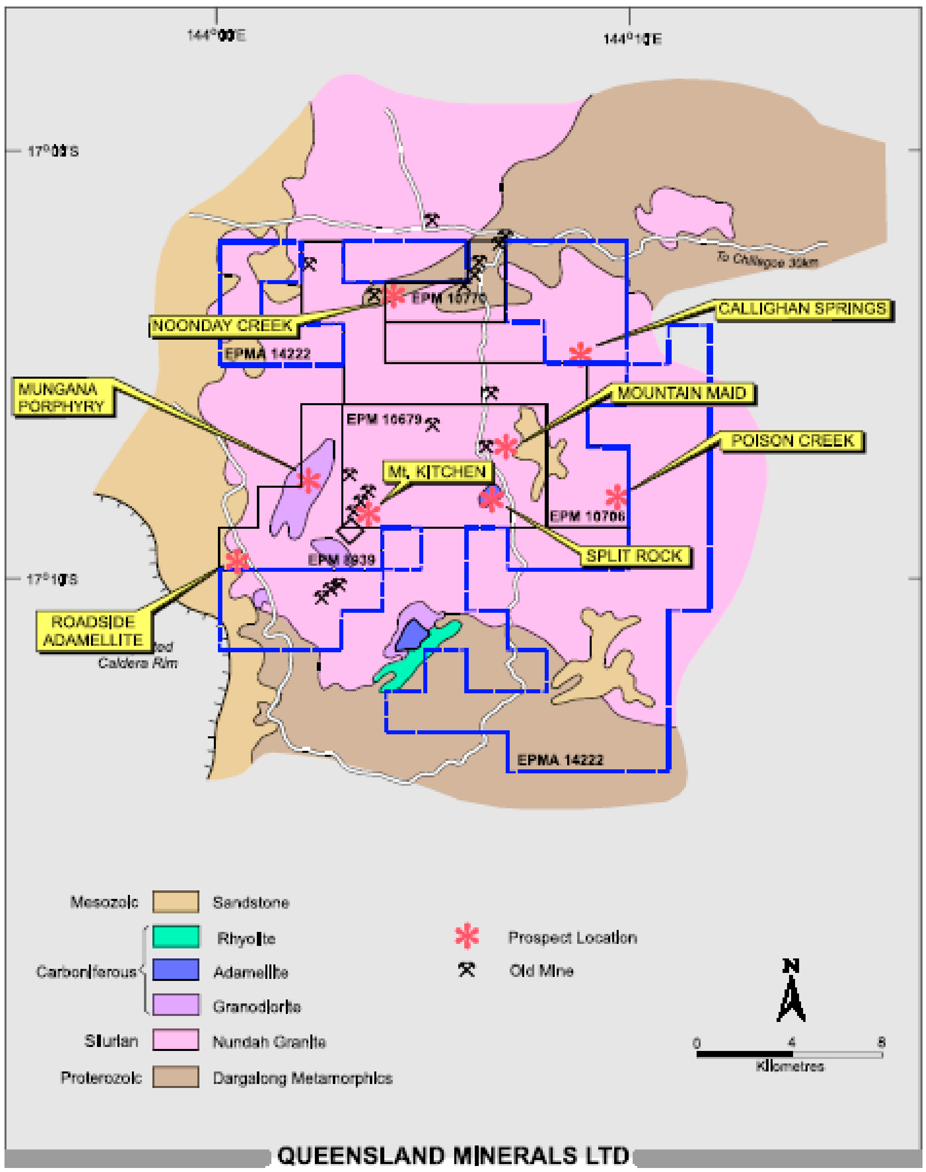
The most important is the Mountain Maid prospect, where gold is associated with a quartz vein stockwork system developed in, and as a halo around, a late monzonite porphyry intrusion. Three other prospects, Mount Kitchen, Mungana Porphyry and Split Rock, appear to be of a similar nature but are less well advanced in terms of the understanding of the controls on mineralization.

Other prospects consist of single or multiple wide-spaced quartz veins with anomalous gold values but exploration has so far failed to locate a focus of higher-grade mineralization.

Prospects such as Bakers Camp, Poison Creek, Nundah Creek, Williamstown Creek and Callaghan Springs are gold prospects but have had no exploration apart from initial BLEG sampling and are therefore still at the grass-roots stage.

In addition to gold, there are several copper prospects scattered throughout the project area. The most notable of these are the Mountain Maid mine, Spaniard and Split Rock. Numerous other small, unnamed copper prospects occur in the vicinity of the Cardross mine. With the exception of Split Rock, most of these shows appear to be associated with shear zones in both granite and the basement metamorphics.

Figure 3 - Mungana Project Geology (prepared by REC)



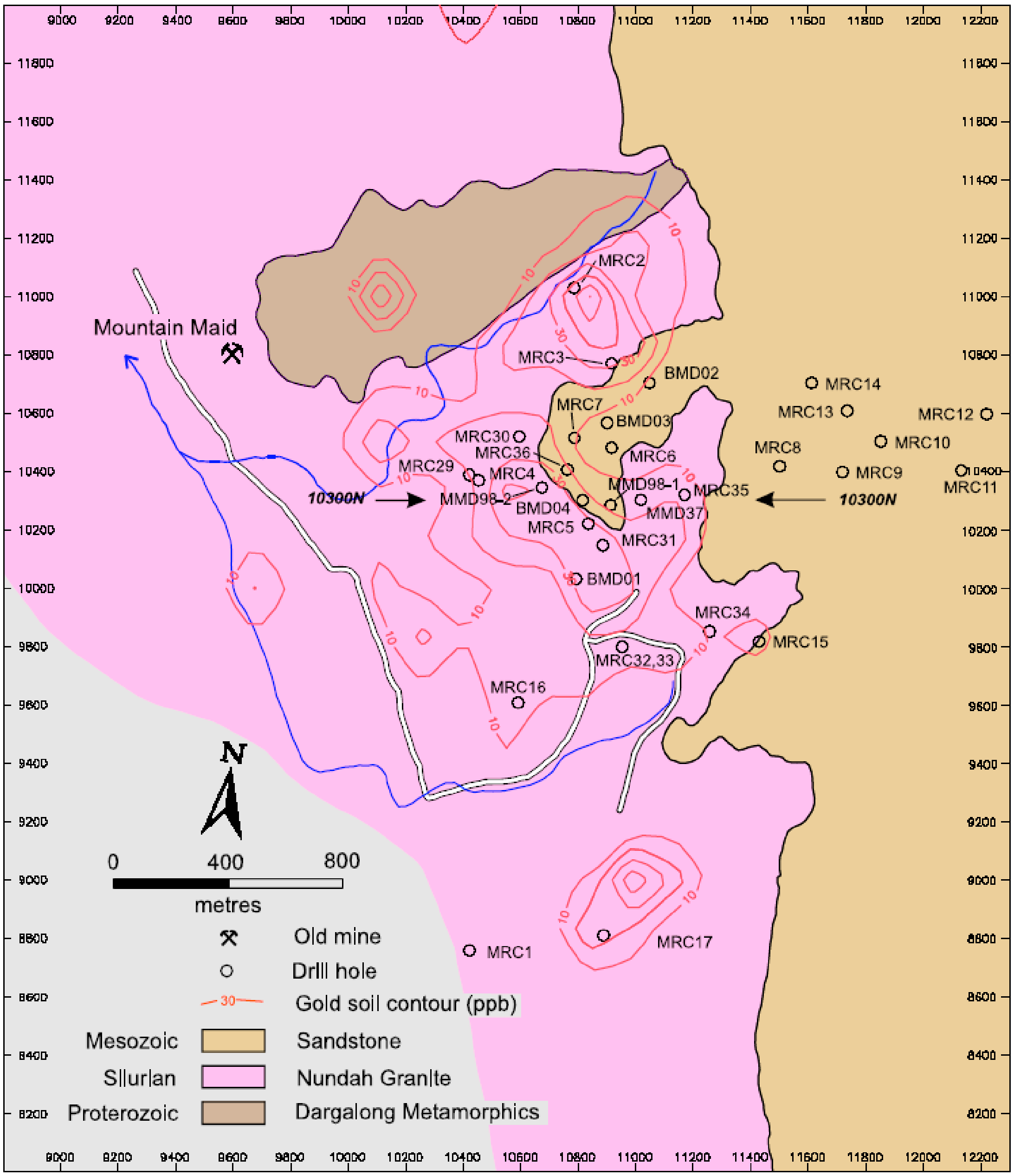
Exploration

The following is a summary of the results and interpretation of relevant exploration on the Mungana Project area over the period 1987-2003, most of which has been conducted by or on behalf of QEP the previous owner of the mineral tenements that make up the Mungana Project.

Mountain Maid

Mountain Maid is a key cornerstone prospect in the Mungana project as a result of successful exploration outcomes that have led to the discovery of a low-grade porphyry gold deposit. This work has been conducted in a semi-continuous fashion over the period 1996-2003, mostly as a function of the availability of funds. Prospect development has comprised detailed geological mapping (five programs), stream sediment sampling, pan concentrate sampling, grid-based soil geochemical sampling and drilling. A total of twenty five reverse circulation percussion holes and seven diamond core holes have been completed over this period. Minor metallurgical testing has also been carried out.

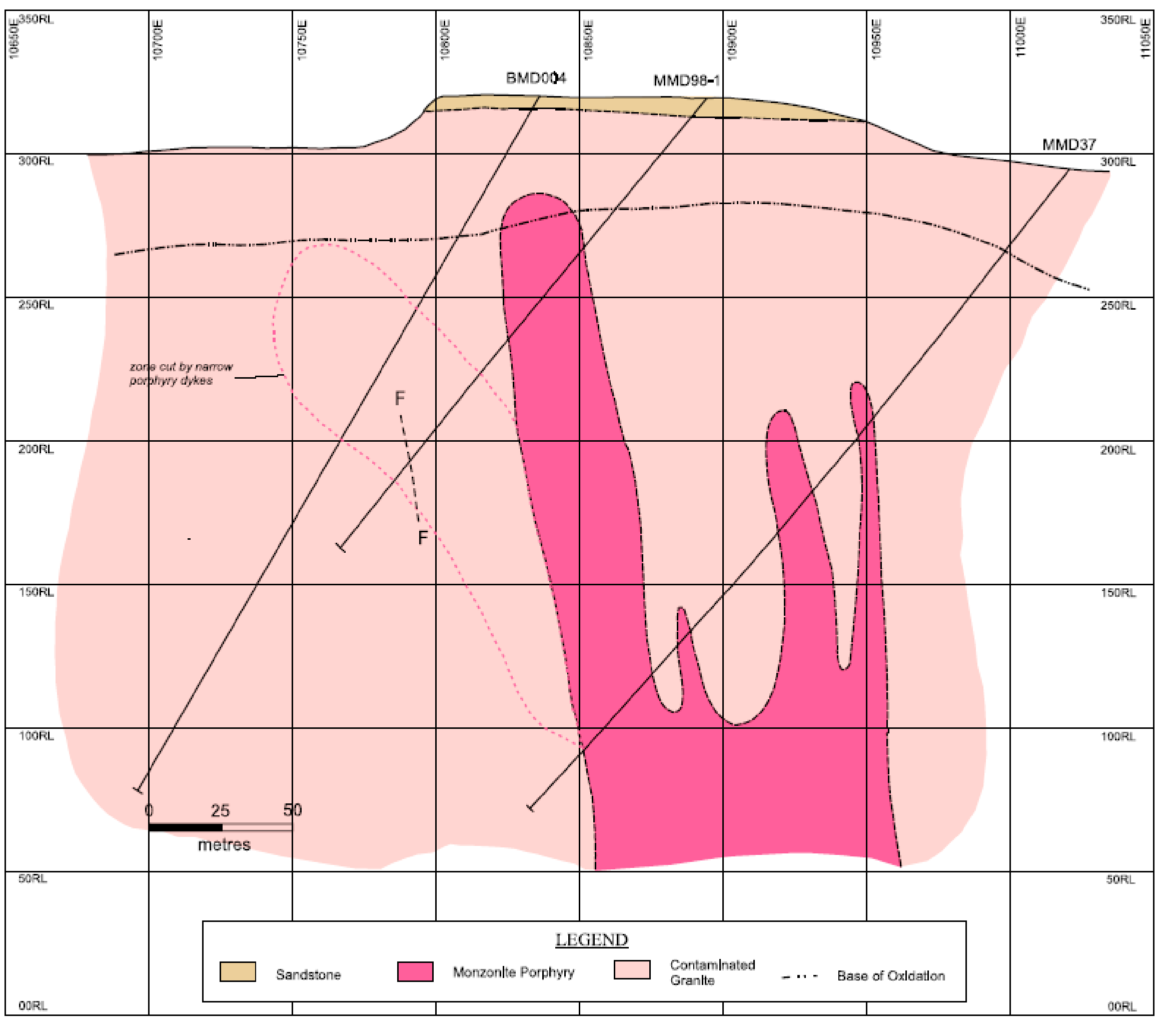
Figure 4 - Mountain Maid Prospect, Geology and Gold Geochemistry (prepared by REC)



The prospect is underlain by Nundah granite in the south and the older Dargalong Metamorphics to the north. Schist contamination of the granite is a prominent feature that is particularly evident in fresh drill core. An irregular-shaped stock of monzonite porphyry that is completely blind to the surface, apart from some narrow dike-like apophyses, has intruded the granite and was accompanied by significant hydrothermal activity. These older rocks are unconformably overlain in the east by a ten to fifteen metre thick sub-horizontal layer of arenaceous sediments that belong to the Cretaceous Gilbert River Formation.

Widespread low-grade gold-copper mineralization shows a strong association with the porphyry host rock and the intensity of the stockwork quartz veining that is present both within the intrusion and around it's margins. The best drill intercept to date is 28.0 metres at 1.66 grams per tonne gold between depths of 86 metres and 114 metres in hole MMD98-1. Vein stockworks were formed during a late stage episode of multiple fracturing and silica influx and we observed numerous examples in the drill core of early quartz vein offsets on cross-cutting fractures, many of which host later veins. This 'multiple pulsing' is a key feature observed from many of the world's large porphyry deposits. Hydrothermal alteration within the porphyry ranges from propylitic at the low end through phyllic to strong silicification and patchy potassic at the high end.

Figure 5 - Mountain Maid Prospect Section 10300 North (prepared by REC)



The Mountain Maid deposit is clearly a low-sulfide system. Visible mineralization generally comprises fine disseminations of chalcopyrite, molybdenite and probable bismuthinite present both in the quartz veins and the wall rock. There is an almost total absence of pyrite. The system is also low in iron oxide content with only minor hematite and no significant magnetite in any of the rocks. Drilling has defined the mineralized zone along a north-westerly strike trend for approximately 250 metres and it appears to dip at a steep angle to the north-east. It is open to the north-west, south-east, north-east and at depth. A well defined, greater than 10ppb, gold soil geochemical anomaly, with coincident bismuth and tellurium anomalies, marks the surface projection of the mineralization. However it should be noted that the true extent of these anomalies may be partly masked by the younger Cretaceous sandstone cover.

Split Rock

Chalcopyrite and pyrite mineralization at Split Rock is reported to be associated with acid dikes variously described as tonalite and micro diorite. Unfortunately all of the drill core from the early Cyprus Mines' holes was destroyed prior to QEP's and the Issuer's involvement in the area and is therefore not available for re-logging and evaluation in the light of significant results that have emerged from the more recent drilling on other prospects. Surface exploration by and on behalf of QEP has been limited to grid-based soil geochemical sampling and geological mapping.

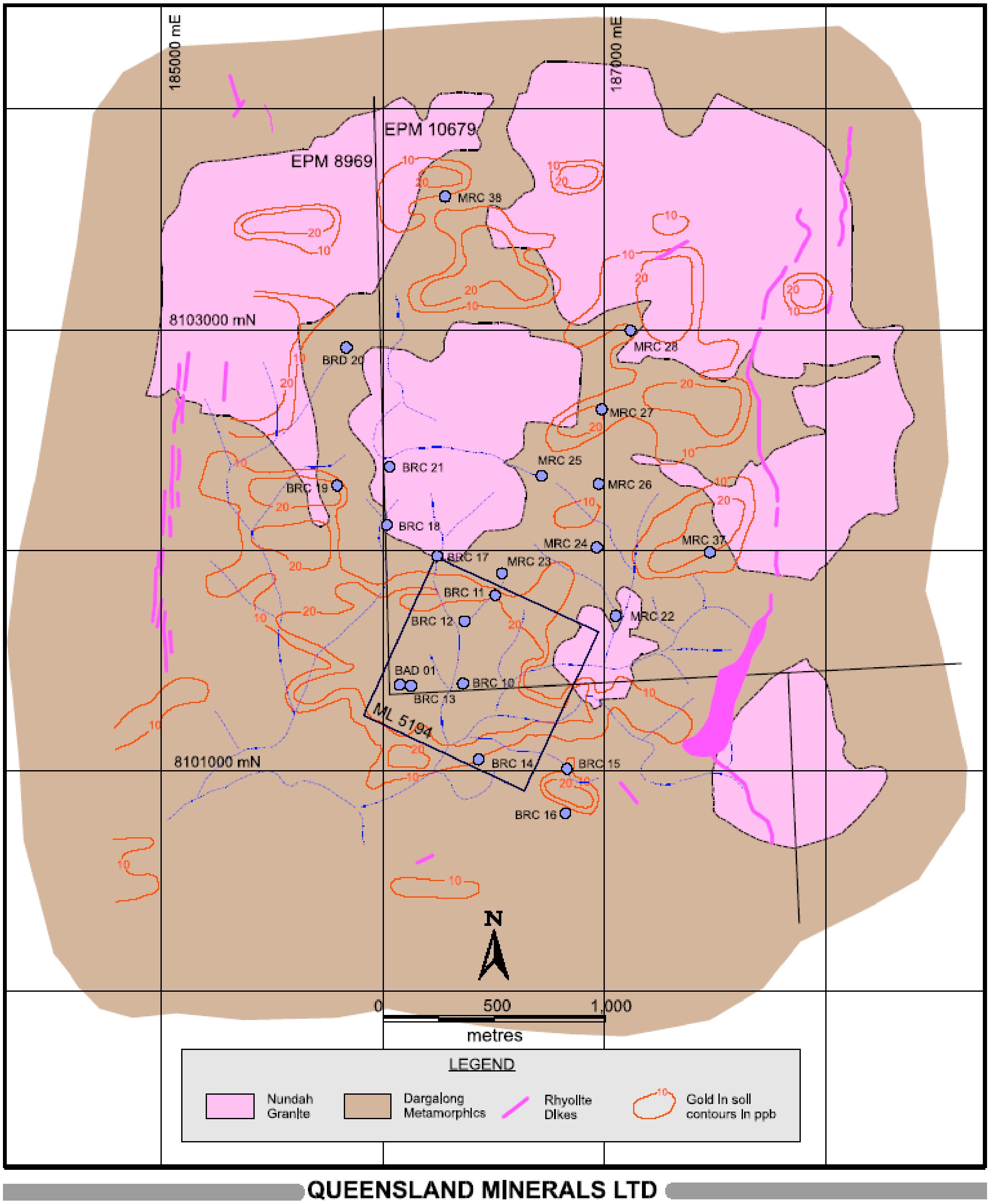
Mount Kitchen – Barkers Creek

Barkers Creek is the site of previous alluvial gold and tin production. Recent interest emerged from results of regional Stream sediment sampling by Cyprus Gold in 1995 that identified the Mount Kitchen - Barkers Creek area as a major gold geochemical anomaly. Follow-up grid based soil sampling was conducted in two campaigns and defined an annular greater than 10ppb gold anomaly measuring 2 - 2.5 kilometres in diameter. The anomaly overlies Nundah granite to the north and Dargalong Metamorphics to the south and surrounds a weak molybdenum soil anomaly. North-trending rhyolite porphyry dikes intrude both granite and schist along the eastern and western limits of the gold anomaly. Cyprus Gold postulated that the gold mineralization was associated with these dikes and that both had emanated from a buried rhyolitic intrusion of Permo-Carboniferous age. Gently dipping buck quartz veins with drusy dog-tooth cavities, breccia textures, pebble breccias and minor boxwork after sulfides are exposed in the area of the gold anomaly along with white epithermal vein quartz. Both vein types contain geochemically anomalous gold in excess of 0.2 grams per tonne and minor disseminated pyrite is present in the epithermal veins.

Ten of the twenty two holes drilled to test this prospect were located in EPM 10679 and five within EPM 8939. The best intersection, apart from those noted above for holes BRC-10 and BRC-13, was 22 metres grading 0.46 grams per tonne gold in drill hole MRC-38. This was an isolated hole drilled near the northern limit of the gold anomaly and 800 metres from the nearest drill hole, BRC-020. BRC-020 intersected 0.95 grams per tonne gold over the interval 0 - 8 metres, however there is some doubt as to whether this represents primary bedrock mineralization or a surficial concentration preserved from the former Cretaceous erosion surface. In addition to gold, elevated levels of arsenic, bismuth, antimony, and tellurium were recorded from some of the holes.

In 2002, a number of ten kilogram stream sediment samples were collected from dry creek beds in the Mount Kitchen area by QEP. Ragged to sub-rounded gold particles and black to ruby wood tin (cassiterite) was identified by hand lens in several of the samples after sieving through 0.6 centimetre (quarter inch) mesh screens.

Figure 6 - Mt. Kitchen Prospect (prepared by REC)



Mungana Porphyry

A granodiorite porphyry of inferred Permo-Silurian age has intruded Nundah granite and Dargalong schists at the Mungana porphyry prospect. Widely spaced quartz veins trend north-easterly and are individually continuous over several hundreds of metres Grab samples returned values up to 18.6 grams per tonne gold. During one visits REC noted a broad area of intense epithermal style quartz veining at this locality. The veins occur in a clay-sericite altered granite and rhyolite stock. As noted above the prospect was tested by Cyprus Gold using soil geochemical sampling and drilling with no significant results. There has been no recent exploration at this locality by QEP or the Issuer.

Roadside Adamellite

At this prospect small sulfide gossan pods and quartz veins are present within Dargalong Metamorphics and a strongly altered porphyritic intrusion that is exposed intermittently beneath thin Mesozoic sandstone cover. Rock chip sampling returned values up to 1.0 grams per tonne gold. Two short reverse circulation percussion holes each to approximately 20 metres returned no significant gold.

Bakers Camp

The Bakers Camp prospect is centred on a group of old alluvial gold diggings. Prospecting around the workings and investigation of aeromagnetic anomalies in the vicinity was conducted in 2000 by QEP.

Williamstown Creek

Williamstown Creek is an area of historical and contemporary small-scale alluvial gold and tin mining. Very little is known of its bedrock gold potential.

Nundah Creek

Nundah Creek was another historical alluvial camp and also the site of a copper-gold geochemical stream sediment anomaly identified by Cyprus Gold in 1969. No follow-up work has been done by QEP or the Issuer.

Noonday Creek

The Issuer has outlined a large alteration zone surrounding an area of old mine workings. Samples of dump material have returned anomalous values up to 5.45 grams per tonne gold and 6,060 ppm bismuth. The mineralization occurs within high-grade metamorphic rocks that have been intruded by both granodiorite and quartz porphyry dikes. No follow up work has been conducted.

Callighan Springs

Copper, silver and antimony shows are recorded in the Callighan Springs area situated three kilometres north-east of the Mountain Maid prospect. Prospecting around the old workings and investigation of aeromagnetic anomalies in the vicinity was conducted in 2000 by QEP.

To the best of our knowledge the surveys and geological investigations described in this section have been carried out by qualified geologists and non-qualified field assistants employed by or contracted to Cyprus Gold and QEP and it's predecessor companies.

Based on our review of the technical information and observations made during field inspections, REC considers that the surface exploration work described above has been conducted in a professional manner and to a standard that is in accord with normal industry practice. We see no reason to doubt the reliability of the data.

Drilling

A summary of all drilling that has been conducted in the project area by and behalf of QEP, the previous owner of the Tenements that make up the Mungana Project is as follows:

Table 3 - Drilling Summary Mungana Project			
Prospect	**Drilling Method**	**Number of Holes**	**Total Metres Drilled**
Mountain Maid	Reverse Circulation Percussion (RCP)	25	1,954
	Diamond core	7	1,765
Mount Kitchen/Barkers Creek	RCP	21	2,312
	Diamond core	1	189
Mungana Porphyry	RCP	1	146
Roadside Adamellite	RCP	2	38

Reverse Circulation Percussion Drill Chip Sampling and Analysis

Cyprus Gold was the only operator to conduct reverse circulation percussion ("RCP") drilling in the Mungana Project area. All drilling was carried out by contract drilling companies with specialist equipment and who had no affiliation with either Cyprus Gold, QEP or the Issuer.

Representative cuttings from 2 metre down-hole intervals were collected for geological logging from all percussion holes, washed and placed in PVC chip trays for storage and future reference. In general, most holes were logged in detail on site at the time of drilling. The remainder were logged at a later date from the preserved chip trays.

Percussion chips were collected into large plastic bags at 1metre intervals from a simple cyclone. This material was then spear sampled with a tapered piece of PVC pipe and combined with adjacent samples to form either 2 metre, (1997 drilling), or 4 metre (1996 drilling), composite assay samples. These composites were then placed into calico bags and dispatched to the Australian Laboratory Services ("ALS") Laboratory in Townsville, Queensland for preparation and analysis. All sampling and dispatch was handled by a representative of Cyprus Gold.

Sample preparation by ALS comprised an initial coarse crush of the total sample to minus 6 millimetres in a Jacques Jaw Crusher, followed by a reduction in size by riffle-splitter down to 2 to 3 kilograms. This material was then pulverised in a Labtechnics LM5 bowl and a 50 gram sub-sample taken from each pulp for analyses. Gold contents were determined by AAS after fire assay fusion, lead collection and prill digestion (ALS method PM209). Most RCP chip samples were also analysed for 16 other elements, including silver, copper, lead, arsenic, bismuth, antimony, and molybdenum, by ALS method IC588. This method involves a four-acid digestion and analysis by inductively coupled plasma emission spectrometry (ICP).

Drill Core Sampling and Analysis

Cyprus Gold drilled five diamond core holes in 1996. QEP completed two diamond holes in 1999 and the Issuer completed one in November 2003. Holes were drilled by truck mounted hydraulic wireline rigs in core sizes of NQ and BQ. Core recoveries were generally good and on average achieved around 98 percent for each hole. Core from most holes was geologically logged in detail at the time of drilling.

Samples for analysis were collected generally at 1 and 2 metre intervals and were obtained by cutting the core in half with a diamond saw. The remaining half core is stored in clearly marked trays for future reference in a locked warehouse at the village of Chillagoe.

Sample preparation by ALS Laboratory in Townsville comprised an initial coarse crush of the total sample to minus 6 millimetres in a Jacques Jaw Crusher followed by a reduction in size by riffle splitter down to 2 to 3 kilograms. In the case of the most recent hole, MMD-37 splits of the crushed 1 metre core samples were combined into 4 metre composite samples prior to pulverising. This material was then pulverised in a Labtechnics LM5 bowl and a 50 gram sub-sample taken from each pulp for gold assay by their PM209 method (fire assay, 50 gram sample, atomic absorption finish). Core from 5 Cyprus Gold holes was also analysed for 8 other metallic elements by ALS method IC588. In addition to gold, core from the 3 QEP holes was analysed for copper, bismuth, molybdenum and tellurium by IC 588.

Quality Control Measures

Down hole directional surveys were not conducted in any of the Cyprus Gold RCP or diamond core holes. The three QEP and Issuer diamond core holes have been surveyed with an Eastman single shot camera. Results show only minor deviation in azimuth and inclination.

REC is aware that two prospect grids at differing orientations have been used at Mountain Maid and as yet there are no professionally surveyed ground controls, including the pick-up of all existing drill collars. REC considers it important that this work be carried out prior to any further drilling in order to improve the accuracy pertaining to the determination of mineral resources.

Standard and replicate samples were included in the analytical process by ALS on a regular basis. However, no control, blank or duplicate samples appear to have been included in sample batches by Cyprus Gold, nor were there any check samples submitted to an umpire laboratory. QEP and the Issuer has submitted standard samples with a known gold content at a rate of approximately one in twenty.

REC consider the drilling and sampling procedures that have been used on the Mungana Project follow the standards of accepted industry best practice. ALS commenced operations in Queensland, Australia in 1974 and by 1996 had expanded its operation to fourteen laboratories throughout Australia, New Zealand and South East Asia. In 1999 ALS merged its Minerals Division with the mineral laboratories of North American based Chemex Labs to form ALS Chemex. REC is aware that the ALS group is widely used throughout the exploration and mining industry in Australia and they see no reason to question the reliability or accuracy of their analytical results. ALS Chemex laboratories operate according to the guidelines set out in ISO/IEC Guide 25. The relationship between ALS Chemex and the Issuer is that of an independent contractor.

Sampling Method and Approach

Stream Sediment Sampling

Stream sediment sampling was conducted by joint venture partners Poseidon in 1993 and by Cyprus Gold in 1994-95. Samples were collected at a density of 1 per square kilometre over a combined area of 140 square kilometres. In-fill and follow-up sampling was carried out by QEP in 1997-98.

Samples collected by Poseidon came from the active portions of drainage channels. They comprised approximately 5 kilograms of minus 2 millimetre material. Samples collected by Cyprus Gold and QEP were from non-trap sites.

Soil Sampling

Grid-based soil sampling was completed by Poseidon in 1993, by Cyprus Gold in three separate campaigns between 1993 and 1996, and by QEP in 1997-98. Sample spacing has ranged from 50 metres by 50 metres in areas of interest to 200 metres by 200 metres over the younger Mesozoic cover rocks. The total area covered by soil sampling is approximately 20 square kilometres or 6 percent of the current project area.

Soil samples taken by all three operators have consisted of approximately 2 kilograms of minus 2 millimetre material collected by hand methods from a depth of 20 to 30 centimetres below the vegetative cover and as near as practicable to the designated grid position.

Sample Preparation, Analyses and Security

Stream Sediment Sampling

Stream sediment samples collected by Poseidon were reduced to 3 kilograms by splitting in the laboratory and analysed for gold by ALS, Townsville, using method PM226 (BLEG). The detection limit for PM226 is stated to be 0.1ppb gold. The Cyprus Gold samples were sieved to minus 4 millimetres and a 500 gram split from each sample was analysed by ALS for copper, gold and silver using active cyanide leach method PM222 and for copper, lead, arsenic, bismuth, antimony, molybdenum, and tellurium by ICP. QEP followed the same sample preparation and analytical procedures that were used by Cyprus Gold.

Soil Sampling

Poseidon's soil samples were split to 500 grams by ALS, Townsville and analysed for gold, copper and silver by method PM222. Both Cyprus Gold and QEP adopted the same preparation and analytical procedures but also added copper, lead, arsenic, bismuth, antimony, molybdenum and tellurium analyses by ICP.

REC considers that the sampling, preparation and analytical methods adopted by employees and contractors of the three exploration operators on the Mungana Project are entirely appropriate and are used as standard exploration practice in Northern Queensland. No factors were identified by us that could have had a material impact on the validity of the results obtained from these surveys.

Data Verification

None of the existing data pertaining to the Mungana project contain specific references to quality control measures or data verification. REC did not conduct any independent analyses to confirm soil geochemical or drill assay data described in the REC Report. However, soil geochemical and drilling results generated by QEP and the Issuer are consistent with results generated independently by Cyprus Gold at an earlier date. Assay results generated by QEP in one section of drill hole MMD98-1 were confirmed by independent assays conducted by Newmont during the course of metallurgical test work as outlined below.

Mineral Processing and Metallurgical Testing

A composite drill core sample from the Mountain Maid prospect was subjected to a bottle roll cyanidation study by Newmont Metallurgical Services in May 2002.

The metallurgical sample comprised a fourteen metre interval of drill core from 100-114 metres depth in drill hole MMD 98-1 that was quartered with a diamond saw. Half core from this zone had previously been sampled and assayed at 1 metre intervals. A head assay by Newmont of the composite reported values of 1.32 grams per tonne gold, 4.37 grams per tonne silver, 144ppm copper, 27ppm lead and 42ppm zinc. An arithmetic mean gold grade for the seven previous 2 metre samples is 2.36 grams per tonne gold. Semi-quantitative XRD\XRF analysis showed the composite to be made up of quartz (44%), K-feldspar (29%), plagioclase (25%) kaolinite (1%) and traces of pyrite and chalcopyrite.

Bottle roll cyanidation tests were performed at grind sizes of 60 percent minus 200 mesh and 80 percent minus 200 mesh with 500ppm cyanide at 40 percent solids for a 24 hour leach period. Gold extractions, based on measured head and residue assays, were 45.9 percent for the 60 percent minus 200 mesh sample and 90.6 percent for the 80 percent minus 200 mesh sample. Cyanide consumption was low at 0.09-0.11 kilograms per tonne and hydrated lime addition for pH control was 1 kilogram per tonne. Calculated head gold assays from these test samples were 1.3 and 1.9 grams per tonne gold. The variance in grade was considered by Newmont to be a possible indication of the presence of free gold particles.

A single flotation test was conducted using a grind of 80 percent passing 200 mesh (75 micron). A simple reagent scheme was used consisting of a frother and a collector that is specfic for copper/gold ores. Results showed that a rougher concentrate was produced representing 1.31 weight percent and assaying 64.8 grams per tonne gold and 1.20 percent copper with respective recoveries of 64.6 percent and 71.3 percent. The data also showed a close association between gold, copper and sulfide sulfur values. A microscopic examination of the tails showed only a trace of sulfides.

Newmont concluded that the gold is leachable, but that a two or three-stage crushing may be necessary to liberate the gold. Low head grades point to the possibility of a heap leach project. REC considered these metallurgical tests to be a preliminary nature. Further bottle roll and column leach tests should be conducted at the appropriate time in the resource evaluation program at the Mountain Maid prospect.

Mineral Resources Estimate

An initial resource estimate for the Mountain Maid prospect was carried out in July 1999 by one of the authors of the REC Report, Gary Jones who is a qualified person as per Section 1.2 of NI 43-101, on an independent consulting contract with the issuer.

That estimate has subsequently been updated by Mr. Jones to incorporate the latest results from the recently completed diamond drill hole MMD-37 as a component of the REC Report.

Resource outlines were defined using a 0.3 grams per tonne gold cut-off in combination with geology for Cross Sections 10300N, 10350N and 10400N. Length weighted mean grades were calculated for each of the relevant intersections and are listed in the Table 4. Grades were then area weighted to determine a mean grade for each section and finally volume weighted to provide a mean grade for the total resource. A SG of 2.62 has been used for oxidised porphyry and granite and 2.65 for primary rock. Resource outlines were extended for 25 metres either side of each section to give block thicknesses of 50 metres.

Table 4 - Mountain Maid Prospect, Inferred Resources

Section	Resource Block	Hole No.	Mean Grade Au g/t	Tonnes
10300N	1	BMD004	0.79	164,170
	2	MMD98-1 & MMD-37	0.62	2,038,280
	3	MMD98-1	0.48	72,810

Table 4 - Mountain Maid Prospect, Inferred Resources				
Section	**Resource Block**	**Hole No.**	**Mean Grade Au g/t**	**Tonnes**
	4	MMD98-1	0.48	50,980
10350N	1	MMD98-2	0.36	29,180
	2	MMD98-2	0.54	1,433,380
10400N	1	MMD98-2	0.54	1,701,400
Totals			**0.57**	**5,490,200**

The estimated resource is 5.49 million tonnes at a grade of 0.57 grams per tonne gold for a contained 100,610 Ounces (3,130 kilograms) of gold. These resources are classified as Inferred according to the AusIMM JORC Code for the reporting of Identified Mineral Resource Ore and Reserves. This estimate also meets the criteria for classification as an Inferred resource as set out in Section 1.3 of NI 43-101.

No resource estimate was attempted for the Mount Kitchen prospect as drill holes are currently too widely spaced.

Exploration Expenditure

A summary of exploration expenditure on the Mungana project is detailed in Table 5 of the REC Report. This table shows exploration expenditure for the project as a whole since 1992 and includes expenditure on areas that are outside the tenements currently held by the Issuer. No accurate figures are available for the amount of expenditure on relinquished ground however we estimate this to be approximately 25 - 30 percent of the total shown in Table 5.

Table 5 - Mungana Project. Exploration Expenditure 1992 - 2003 (A$).	
Party	**Project Expenditure**
Expenditure by Arany	612,700
Expenditure by Joint Venture Partners	1,079,160
Expenditure by QEP 1998 - 2003	374,800
Total	**2,066,660**

Interpretation and Conclusions

REC concluded that the Mungana Project area was prospective for the discovery of economic porphyry related gold mineralization of the Fort Knox, Mount Leyshon and Kidston types. Favoured sites for these types of gold deposits can occur where late phase porphyry intrusions penetrate upwards along older granite contacts.

Their view on the prospectivity of the project area was in part been formed by observations made during their site visits and was reinforced by the discovery of a porphyry gold deposit at the Mountain Maid prospect. In addition, a large low-grade gold system was evident from results of exploration at the Barkers Creek-Mount Kitchen prospect. Evidence of fluid movement, alteration and quartz veining, of a style commonly associated with economic mineral deposits, occurs at several other localities within the tenements.

At Mountain Maid, REC concluded that there is ample scope to expand the size of the resource and priority drilling targets should be designed to test for the continuation of the mineralized monzonite porphyry and stockwork zone to the north and north-west. REC also concluded that the grade of the existing inferred resource is below what would be required to sustain an economic mine development at the current gold price of just over $US400 per ounce. However potential exists for higher grade mineralization to be located in zones of more intense fracturing and greater density stockwork quartz vein development, both within the porphyry and around its immediate margins in the host granite. Breccia pipes that could also be well mineralized are a distinct possibility in this type of geological environment.

The Mountain Maid monzonite porphyry has many similarities to the quartz monzonite porphyries that host significant economic copper and gold mineralization at both the Northparkes and Cadia deposits in Central New South Wales, Australia. The only feature that appears to be absent at Mountain Maid is the pervasive hematite dusting which resulted in a characteristic pink-red colour for the Northparkes and Cadia quartz monzonites.

REC considered that results of previous geochemical sampling and drilling at the Barkers Creek – Mt. Kitchen prospect should be reviewed in detail in light of the new knowledge gained from Mountain Maid. Low-grade gold mineralization was intersected in several of the Cyprus Gold holes with promising intersections in BRC-10 (12m @ 0.52 g/t Au) and BRC-13 (102m @ 0.12 g/t Au). A further blind porphyry intrusion and stockwork quartz vein system is a distinct possibility at this location.

Several of the holes at Barkers intersected near surface gold mineralization that is possibly secondarily enriched. These results indicate potential for shallow oxide resources in the Mungana Project area and REC considered this possibility needed further assessment. Better development of oxide and secondary enriched gold and copper mineralization might be expected over the top of high sulfide systems such as that at Bakers Camp.

Previous exploration and drilling at the Split Rock prospect discovered low-grade porphyry copper style mineralization associated with acid dikes variously described as tonalite and micro diorite. In REC's view this prospect is worthy of further investigation and drilling with the objective of locating a larger porphyry intrusion from which the dikes may have emanated. The potential to locate gold mineralization in the higher temperature zones of this system remains untested.

Geological reconnaissance at Bakers Camp, situated approximately 4.5 kilometres to the north west of Mountain Maid, located significant areas of hydrothermal alteration in granite and strong evidence indicating the presence of a high sulfide mineralized system. Small epithermal quartz veins and some jasper were also noted by REC. Samples collected during the reconnaissance are anomalous in gold, base metals and tungsten, molybdenum and bismuth together with arsenic and antimony. REC concluded that further exploration at this prospect is warranted.

Exploration and Development

Since June 2003, work undertaken by QEP and the Issuer has comprised of follow-up exploration work to infill and extend the initial geological and geochemical highlights. This has been principally conducted around the Mountain Maid and Split Rock prospects and areas of alteration located around the Mesozoic sandstone escarpment to the north east.

Work on the Mungana Project during the July 2003 to December 2003 period involved the establishment of a field camp and the instigation of the upgrading of roads and tracks around the project area. Soil sampling, rock chip sampling and 1:1000 scale mapping was instigated in the Mountain Maid to Split Rock structural corridor. Pan concentrate sampling was carried out in the Mountain Maid to Split Rock area and in drainages around the Mesozoic sandstone escarpment. Drill pad preparation and diamond drilling, core cutting and sampling resulted in the assaying of half core samples. Further rock chip sampling and mapping is currently being carried out and preparations are underway for DGPS ground surveying. Following the end of the local wet season the program will be resumed with further drill pad preparation for continued drilling and sampling and executing the program as recommended by REC (as describer below). Drafting of mapping for statutory reporting and presentations is also currently underway.

Recommend Exploration Program

REC Recommend the following Phase One exploration program for the Mungana Project:

Mountain Maid

- Five step-out diamond core holes each to 300 metres depth, inclined to the north-east and sited 100 and 200 metres south-east and north-west of drill holes MMD98-1, MMD98-2 and MMD-37 respectively.

  Total proposed drilling: 2,100 metres.

  Objective: To increase by a factor of four to five the size of the currently inferred resource at Mountain Maid and to test for zones of more intense stockwork quartz veining and higher grade gold mineralization.

  Total cost, including assays, supervision, geology: 1,500m x A$160/m =A$240,000.

- Two inclined 300 metre diamond core drill holes oriented in either a south-west or north-east direction.

  Total proposed drilling: 600 metres.

  Objective: To test gold soil geochemical anomalies to the north-east and south-west of the main zone for additional mineralized monzonite porphyry and quartz vein stockworks.

  Total cost: 600m x A$160/m = A$96,000.

  Establish ground survey control including production of a digital terrain model. (DTM)

  Objective: To provide accurate positioning and elevation of drill holes and other important topographic features.

  Total cost: Contract licensed surveyor = A$10,000

Split Rock

- Two inclined 300 metre diamond core drill holes.

  Total proposed drilling: 600 metres.

  Objective: To test the Split Rock porphyry system for zones of higher-grade copper and possible gold mineralization, and to gain a better understanding of the geological controls to mineralization.

Total cost: 600m x A$160/m= A$96,000.

Mount Kitchen:

- Fifteen inclined 50 metre reverse circulation percussion holes drilled on a 100 metre grid pattern over an area of 800 metres by 1600 metres encompassing drill holes BRC-20, MRC-28 and MRC-38. The holes should be consistently inclined either to the north or south at minus fifty degrees.
- A further fifteen percussion holes of the same length would be held in reserve to follow-up and establish continuity of mineralization between intersection made in the first round of drilling.
- Two inclined diamond core holes each to a depth of 350 metres to test at depth beneath targets derived from the results of the percussion drilling in combination with surface geochemistry.

Objectives: (a) To outline near-surface, drill inferred resources of around ten million tonnes at a gold grade of greater than 1 gram per tonne.

(b) To locate high-grade gold-bearing quartz vein stockwork systems and establish a better understanding of mineralization controls.

Total cost: Percussion Drilling 1500m x A$50/m = A$75,000
Diamond Drilling 700m x A$160/m = A$112,000

Other Prospects:

- Advance the exploration of other prospects with systematic geochemical surveys and geological mapping on a results dictated priority basis.

Objective: To define new drilling targets.

Total cost: Labour 100 man-days x A$400/man-day = A$40,000.
Assaying 500 samples x A$25/sample = A$12,000.

The estimated cost of the above program, including a contingency of A$68,500 or ten percent is A$750,000 (CDN$745,453) as summarized below:

Table 6 - Mungana Project. Proposed Program & Budget (1).

Prospect	Proposed Program	Estimated Cost (A$)	Estimated Cost (CDN$)(1)(2)
Mountain Maid	Diamond drilling	336,000	338,050
	Surveying	10,000	10,061
Split Rock	Diamond drilling	96,000	96,586
Mt Kitchen	RCP drilling	75,000	75,458
	Diamond drilling	112,000	112,683
Other Prospects	Technicians	40,000	40,244
	Assaying	12,500	12,576
Contingency		68,500	68,918
Total		**750,000**	**754,575**

Notes:

(1) From Table 6 of the REC Report, except for Estimated Costs (CDN$).

(2) Calculated using the average Bank of Canada nominal rate for the four months ended April 30, 2004 of A$1.00 = CDN$0.9939

In the opinion of REC, the prospectivity of the project as has been demonstrated by previous exploration programs is of sufficient merit to justify the above-recommended program. A second phase program of follow-up and in-fill drilling at Mountain Maid, Mount Kitchen, Split Rock and other prospects is contingent on positive results from this program. While the necessity of additional work is likely, the exact nature, location and cost of a second phase exploration program will depend entirely on results of the Phase One program.

USE OF PROCEEDS

Proceeds

The gross proceeds from the sale of the Shares, excluding any proceeds from the exercise of Agent's Warrant or Broker's Warrants, will be $1,800,000. After deduction of the Agent's commission of $126,000, the Issuer will have net proceeds from the Offering of $1,674,000.

The completion of the Offering is subject to a minimum subscription of $1,800,000. In the event this minimum subscription is not attained, all funds raised hereunder will be returned by the Agent and refunded to investors without interest or deduction. The Offering will cease if the minimum is not subscribed within 90 days of the date of the final prospectus receipt.

Available Funds

Management of the Issuer estimate the consolidated working capital deficit of the Issuer as at April 30, 2004 to be $100,000. Net Proceeds of the offering, $1,674,000, will be applied against the current liabilities that make up the working capital deficit for availabe funds after the Offering of $1,574,000.

Use of Available Funds

The Issuer intends to use the available funds as follows:

Use of Funds			
1.	To pay the estimated remaining costs of this Offering (including legal, audit and printing expenses))	$	100,000
2.	To pay balance of Agent's corporate finance fee (plus GST)		21,400
3.	Recommend Exploration Program on the Mungana Project as recommend in the REC Report		754,575
4.	Estimated administrative costs for the 12 month period subsequent to the completion of the Offering		594,000
5.	To provide general working capital		104,025
Total Use of Funds		$	**1,574,000**

The Issuer intends to spend the funds available to it on the completion of the Offering as stated in this prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

Administrative Costs

Estimated aggregate administrative costs required in order for the Issuer to carry on its intended business are estimated to be approximately $49,500 per month in the near term with the initial allocation estimated as follows:

	Monthly Expenditures	Aggregate Yearly Expenditures
Office Expenses - Australia	$ 7,500	$ 90,000
Office Expenses - Canada	2,500	30,000
Management Fees	10,000	120,000
Salaries, Wages and Benefits	12,000	144,000
Shareholder Communications	7,000	84,000
Professional fees	5,000	60,000
Listing and Transfer Agent's Fees	1,000	12,000
Travel Meals and Entertainment	4,500	54,000
Total Administrative Costs	**$ 49,500**	**$ 594,000**

Based on the foregoing, management anticipates that the Issuer's working capital available to fund ongoing operations, after completion of the Offering, will be sufficient to meet its administration costs for a period of not less than 12 months.

Special Warrant Proceeds

The gross proceeds from the sale of the Special Warrants was $314,000 and after deducting the Agent's commission of 8% on the sale of 2,000,000 of the Special Warrants the Issuer received net proceeds of $298,000. The principal purposes for which these funds were used and are to be used are:

Use of Funds		
1.	To pay the costs of the sale of the Special Warrants and the acquisition of Asmam (including legal and accounting costs)	$ 40,000
2.	To pay deposit for Agent's expenses for Brokered Private Placement, this Offering and sponsorship of the Issuer's listing on the Exchange	13,000
3.	To pay the initial instalment of the Agent's corporate finance fee (plus GST) in relation to the Brokered Private Placement, this Offering and sponsorship of the Issuer's listing on the Exchange	10,700
4.	To fund ongoing exploration on the Mungana Project including drilling one diamond hole	229,300
5.	To provide general working capital	5,000
TOTAL		$ **298,000**

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Annual Information

The following table sets out a summary of financial operations for the Issuer during the financial years ended December 31, 2003 and 2002, which information has been derived from the audited consolidated financial statements of the Issuer for the year ended December 31, 2003 and 2002 . Although the Issuer was incorporated on February 15, 1996 it did not commence operations prior to the acquisition of Asmam on October 22, 2003. Asmam commenced operations in January of 2003. This summary financial information should be read in conjunction with the Issuer's financial statements, including the notes thereto, included elsewhere in this prospectus.

Summary of Annual Information		
	Years Ended December 31	
	2003	2002
Total Revenues	$ --	$ --
Expenses		
Bank Charges	40	--
Office and Administration	18,000	--
Professional Fees	21,948	3,160
Regulatory Filing Fees	350	--
Loss before other Item	(40,338)	(3,160)
Other Item – Foreign Exchange Gain (loss)	3,705	(285)
Loss for the Year	(36,633)	(3,445)
Basic and Diluted Loss Per Share(1)(2)	(0.01)	
Working Capital (deficiency)	(59,616)	(4,794)
Total Assets	731,354	387,511
Due to Affiliated Companies	--	387,509
Shareholder Equity	622,374	(4,794)

Note

(1) There were a total of 3,140,000 Special Warrants issued and outstanding as of December 31, 2003 and 2,940,000 issued and outstanding as of the date hereof. Each Special Warrant entitles the holder thereof to acquire a Share at no additional consideration.

(2) Earnings per share is not presented for the year ended December 31, 2002 as the Company was inactive during the year and such disclosure is not considered meaningful.

Dividend Policy

The Issuer has not paid any cash dividends on its Common Shares to date and does not intend to pay dividends in the foreseeable future. The Issuer plans to retain earnings, if any, for use in the operation of its business, to finance growth and expand its operations.

Management's Discussion and Analysis and Plan of Operation

The following discussion and analysis of the Issuer's financial condition and results of operation should be read in conjunction with the Issuer's financial statements, including the notes thereto, included elsewhere in this prospectus. Although the Issuer was incorporated on February 15, 1996 it did not commence operations prior to the acquisition of Asmam on October 22, 2003. Asmam commenced operations in January of 2003.

In consideration of the issuance of 5,000,000 Common Shares, the Issuer acquired all of the issued and outstanding share capital of Asmam. This type of exchange of securities is referred to as a "reverse takeover" and, though the Issuer is the legal parent of Asmam, Asmam is deemed to have acquired the Issuer for accounting purposes since control of the Issuer passed to the former shareholder of Asmam. Accordingly, the transaction represented a recapitalization of Asmam. The balance sheet at December 31, 2002 and the statements of operations and cash flows for the year then ended included in the Issuer's consolidated financial statements are those of Asmam. The equity amounts are also those of Asmam. The consolidated statements of operations and cash flows include Asmam's results of operations and cash flows for the year ended December 31, 2003 and the Issuer's results of operations from October 22, 2003 (date of acquisition of Asmam) to December 31, 2003.

The Issuer is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. To date, the Issuer has not generated significant revenues from operations. The recoverability of the amount shown for mineral properties and related deferred costs, $603,925, is dependent upon the existence of economically recoverable reserves, the ability of the Issuer to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

Results of Operations

Fiscal Year ended December 31, 2003 compared to Fiscal Year ended December 31, 2002

To date the Issuer has had no revenues and expenses have been mainly associated with costs associated with the acquisition of Asmam and the private placement of 3,140,000 special warrants in October of 2003. Included in expenses are office and administration expenses totalling $18,000 that were accrued in November and December of 2003. These office and adminsitration expenses included monthly fees of $7,500 payable to a company controlled by Al Marton pursuant to a management and service agreement whereby Asmam is provided with office space and services and administrative support in respect of its Australian operations and $1,500 paid to company of which Craig Thomas is a principal for office space and services in Canada. Total expenses for the year ended December 31, 2003 were $40,338 compared to $3,160 for the previous year.

As a result of the reverse takeover, Asmam is deemed to have acquired the net liabilities of the Issuer of $22,157 on October 22, 2003. The net liabilities acquired have been charged against the deficit of the continuing operations of the Issuer.

During the year ended December 31, 2003 Asmam acquired a 100% interest in certain Exploration Permits for Minerals ("EPM's") and the rights to an EPM application comprising the Mungana project. As consideration, Asmam issued 500,000 fully paid ordinary shares in the capital of Asmam to QEP. As QEP and Asmam were part of the same economic entity immediately prior to the transaction, the acquisition has been accounted for using the continuity of interests method of accounting. Under this method of accounting, the cost of the Mungana project recorded by Asmam on September 15, 2003 reflects the carrying amount of the Mungana project recorded in the financial statements of the vendor immediately prior to the transaction. As a result, the capitalized mineral property costs of $603,925 asset, on the Issuer's balance sheet, is presented as if the Issuer had held the mineral property since the properties were originally acquired by QEP. Since, the acquisition of the mineral properties on September 15, 2003 Asmam has incurred costs of approximately $202,517 on the exploration and development of the mineral properties.

Significant Accounting Policies

The Issuer records its interests in mineral properties and areas of geological interest at cost less option payments received and other recoveries. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Liquidity and Capital Resources

Fiscal Year ended December 31, 2003 compared to Fiscal Year ended December 31, 2002

During the year ended December 31, 2003 the Issuer raised gross proceeds of $314,000 from a private placement of 3,140,000 Special Warrants issued at a price of $0.10 per Special Warrant. Each Special Warrant entitles the holder thereof to acquire a Common Share for no additional consideration. The Agent acted as broker for the sale of 2,000,000 of the Special Warrants and was paid a commission of 8% of the gross sale proceeds from the sale of those Special Warrants. The Agent was also issued 300,000 non-transferable Compensation Options. Each Compensation Option entitles the Agent to acquire one Broker's Warrant without additional consideration. Each Broker's Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period expiring on October 22, 2004.

Continued operations of the Issuer are dependent on the Issuer's ability to receive continued financial support, complete equity financings, or generate profitable operations in the future.

Subsequent Events

Subsequent to the fiscal year ended December 31 2003 the Issuer sold a total of 240,000 Shares at a price of A$0.25 during the month of April, 2004 raising gross proceeds of A$60,000. The proceeds raised are to be used for working capital purposes. In addition the Issuer issued 13,453 Shares at a deemed price of $0.30 to a consultant in consideration of A$3,900 (CDN$4,036) of geological services rendered.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

As at the date hereof, the Issuer is authorized to issue an unlimited number of Common Shares of which 5,853,453 Shares are issued and outstanding as fully paid and non-assessable. The Issuer has also issued and outstanding Special Warrants exercisable for the issuance of an additional 2,940,000 Shares without additional consideration. The Special Warrants will be deemed to be exercised on the sixth business day following the issuance of a final receipt by the British Columbia Securities Commission for the final prospectus.

Common Shares

The holders of the Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Issuer and, upon liquidation, to receive such assets of the Issuer as are distributable to the holders of the Common Shares. All of the Common Shares to be outstanding on completion of the Offering and the exercise of the Special Warrants will be fully paid and non-assessable.

Broker's Warrants

The Broker's Warrants are non-transferable and each Broker's Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period of 12 months from the completion of this Offering.

The Broker's Warrants will contain provisions for the appropriate adjustment in the class, number and price of Shares issuable under such Broker's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Shares, the payment of stock dividends or the amalgamation with another company. The issuance of the Broker's Warrants on exercise of the Compensation Options is qualified for distribution hereunder.

Agent's Warrants

The Agent's Warrants will be non-transferable, and each Agent's Warrant will entitle the Agent to purchase one additional Share for a period of 18 months from the completion of the Offering at a price of $0.30 per Share.

The Agent's Warrants will contain provisions for the appropriate adjustment in the class, number and price of Shares issuable under such Agent's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Shares, the payment of stock dividends or the amalgamation with another company. The issuance of the Agent's Warrants is qualified for distribution hereunder.

CONSOLIDATED CAPITALIZATION

Since the date of the Issuer's year end of December 31, 2003 the Issuer continued its incorporation under the *Business Corporations Act* of the Yukon Territory and increased its authorized share capital to an unlimited number of common shares effective as of January 30, 2004. The following table sets out particulars of the share and loan capital of the Issuer before and after completion of this Offering:

Designation of Security	Amount authorized as of December 31, 2003	Amount authorized as of the date of this Prospectus	Amount outstanding as of December 31, 2003(1)	Amount outstanding as of April 30, 2004(1)(2)	Amount to be outstanding upon completion of the Offering(1)(2)(3)
Common Shares	100,000,000	Unlimited	5,400,000	5,853,453(2)	14,793,453
Special Warrants	N/A	N/A	3,140,000	2,940,000	Nil

Notes

(1) Does not include any Shares that may be issued pursuant to the exercise of Broker's Warrants.

(2) Does not include any Shares that may be issued pursuant to the exercise of options granted to directors, officers or employees. the Agent's Warrants, the Broker's Warrants or the Greenshoe Option.

(3) Including shares issued on the exercise of a total of 2,940,000 Special Warrants.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The directors of the Issuer have adopted a Stock Option Plan (the "Plan"), subject to the approval of the Exchange and the Shareholders of the Issuer. The purpose of the Plan is to provide the Issuer with a share related mechanism to enable the Issuer to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward those parties for advancing the interests of the Issuer and to enable and encourage such individuals to acquire shares in the Issuer as long term investments.

Under the Plan, a maximum of 10% of the issued and outstanding shares of the Issuer are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Plan increases with the issue of additional shares of the Issuer, the Plan is considered to be a "rolling" stock option plan.

The following information is a brief description of the Plan:

1. The exercise price of stock options granted under the Plan will be set by the Board of Directors in its sole discretion, at the time of grant and will not be less than the closing price of the Issuer's shares traded through the facilities of the Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the Exchange or, if the shares are not listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of shares in respect of the expired or terminated option shall again be available for the purpose of the Plan. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised or it expires.
3. All options granted under the Plan may not have an expiry date exceeding five years from the date on which the Board of Directors grant and announce the granting of the option.
4. Options to acquire no more than 5% of the issued shares of the Issuer may be granted to any one individual in any 12 month period.
5. Options to acquire no more than 2% of the issued shares of the Issuer may be granted to any one consultant in any 12 month period.
6. Options to acquire no more than an aggregate of 2% of the issued shares of the Issuer may be granted to an employee conducting Investor Relations Activities in any 12 month period.
7. If the option holder ceases to be a director, officer, employee or other service providers of the Issuer (other then by reason of death), as the case may be, then the option granted must expire within 90 days following the date that the option holder ceases to be a director, officer, employee or service provider of the Issuer, subject to the terms and conditions set out in the Plan.
8. Options held by an option holder who is engaged in Investor Relations Activities must expire within 30 days after the option holder ceases to be employed by the Issuer to provide Investor Relations Activities subject to the terms and conditions set out in the Plan.

9. Notwithstanding items 7 and 8, an optionee's heirs or administrators shall have until the earlier of:
   (a) one year from the death of the optionee in which to exercise any portion of options outstanding at the time of death of the optionee; and
   (b) the expiry date of the options.
10. Stock options granted to directors, senior officers, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing Investor Relations Activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
11. The Plan will be administered by the Board of Directors of the Issuer who will have the full authority and sole discretion to grant options under the Plan to any eligible party, including themselves.
12. The options shall not be assignable or transferable by an optionee.
13. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

Proposed Stock Options

After completion of the Offering, the Issuer is proposing to grant the following incentive stock options pursuant to the Plan to directors, officers and employees of the Issuer:

Name	Under Option Number of Shares	Per Share Exercise Price	Expiry Date
Executive Officers *2 persons*	579,300	$ 0.30	5 years[(1)]
Directors who are not Executive Officers *2 persons*	525,000	$ 0.30	5 years[(1)]
Consultants *3 persons*	300,000	$ 0.30	5 years[(1)]
Employees *2 persons*	75,000	$ 0.30	5 years[(1)]
TOTAL	**1,479,300**		

Notes
(1) Expiration period is 5 years from effective date of the Offering.

PRIOR SALES

The following table summarizes the sales of securities of the Issuer within the twelve months prior to the date of this prospectus:

Date	Price per Share	Number of Securities Issued	Reason for Issuance
September 15, 2003	$ 0.01	400,000[(1)] Shares	issued for management services rendered
October 22, 2003	$ 0.10	5,000,000 Shares	issued pursuant to acquisition of Asmam
October 22, 2003	$ 0.10	3,140,000 Special Warrants[(2)]	private placement
October 22, 2003	N/A	300,000 Compensation Options[(3)]	part of Agent's Compensation for Brokered Private Placement
April 14, 2004	$ 0.24[(4)]	240,000 Shares	private placement
April 14, 2004	$0.30	13,453 Shares	issued for geological services rendered[(5)]
April 14, 2004	N/A[(2)]	200,000 Shares	issued on the exercise of 200,000 Special Warrants

Notes

(1) 400,000 Shares were issued in consideration of management fees totalling $4,000 ($500.00 per month) accrued pursuant to a management agreement dated January 1, 2003 between the Issuer and Craig D. Thomas.

(2) Each Special Warrant entitles the holder thereof to acquire a Share for no additional consideration. See "Plan of Distribution - Special Warrants". On April 14, 2004, 200,000 Common Shares were issued on the voluntary exercise of 200,000 Special Warrants.

(3) Each Compensation Option entitles the Agent to acquire one Broker's Warrant without additional consideration. Each Broker's Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period of 12 months from the Closing Date. See "Plan of Distribution - Special Warrants"

(4) Purchase price was A$0.25, using an exchange equal to the Bank of Canada's nominal rate on April 14, 2004 of A$1.00 = CDN$0.9493.

(5) 13,453 Shares were issued in consideration of geological services provided totalling A$3,900 using an exchange rate of A$1.00 = CDN$1.0349.

ESCROWED SECURITIES

Escrowed Shares

Under the applicable policies and notices of the Canadian Securities Administrators securities held by Principals (as defined below) of the Issuer are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions.

Principals include all persons or companies that, on the completion of the Offering, fall into one of the following categories:

1. directors and senior officers of the Issuer or of a material operating subsidiary of the Issuer, as listed in this prospectus;
2. promoters of the Issuer during the two years preceding this Offering;

3. those who own and/or control more than 10% of the Issuer's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;
4. those who own and/or control more than 20% of the Issuer's voting securities immediately after completion of this Offering; and
5. associates and affiliates of any of the above.

The Principals of the Issuer are all of the directors and senior officers of the Issuer and Queensland Epithermal Minerals Ltd. which will hold approximately 33.8% of the Issuer's issued and outstanding Shares after completion of this Offering.

Pursuant to an agreement (the "Escrow Agreement") dated as of May 25, 2004 among the Issuer, the Issuer's transfer agent Pacific Corporate Trust Company (the "Escrow Agent") and the Principals of the Issuer, the Principals agreed to deposit in escrow their Shares (the "Escrowed Securities") with the Escrow Agent. A total of 6,050,000 Shares , including Shares to be issued on the exercise of Special Warrants will be deposited in escrow pursuant to the Escrow Agreement representing 68.80% of the issued and outstanding shares prior to the completion of the Offering, (assuming the exercise of all outstanding Special Warrants) and 38.31% of the Shares issued and outstanding after completion of the Offering.

The Escrow Agreement provides that the Escrowed Securities will be released from escrow in equal blocks at six month intervals over the 36 months from the date of listing of the Shares on the Exchange (the "Listing Date") as follows:

%	**Release Date**
10%	on the Listing Date
15%	6 months from the Listing Date
15%	12 months from the Listing Date
15%	18 months from the Listing Date
15%	24 months from the Listing Date
15%	30 months from the Listing Date
15%	36 months from the Listing Date

The Escrow Agreement also provides that 4,000,000 Shares of the 5,000,000 received by QEP on the sale of Asmam to the Issuer will not be released from Escrow until such time as the Issuer has demonstrated a minimum of 250,000 oz. of inferred gold equivalent resources on the Mungana Project in a report prepared in accordance with NI43-101.

The Issuer is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Issuer achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Issuer had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings with escrow are:

1. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Issuer's board of directors;
2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;
3. transfers upon bankruptcy to the trustee in bankruptcy; and
4. pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor Issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor Issuer's escrow classification.

The following table sets forth details of the issued and outstanding Shares that are subject to the escrow:

Holder	Number of Shares Held as of the Date Hereof	% of Shares Outstanding prior to Completion of the Offering[(1)]	% of Shares Outstanding on Completion of the Offering
Al S. Marton *President, Director*	5,360,000[(2)]	60.95%	36.23%
Craig D. Thomas *Secretary,CFO, Director*	200,000	2.27%	1.35%
David Fennell *Director*	200,000	2.27%	1.35%
Adrian Fleming *Consultant*	200,000	2.27%	1.35%
Alf Paton *Director*	50,000	0.57%	0.34%
Nicholas Marton[(3)]	20,000	0.23%	0.14%
Tina Marton[(3)]	20,000	0.23%	0.14%
TOTAL	**6,050,000**	**68.80%**	**40.90%**

Notes

(1) Includes Shares to be issued on the exercise of Special Warrants and assumes the exercise of all outstanding Special Warrants.

(2) Includes 5,000,000 Shares held by QEP a company controlled by Mr. Marton; 300,000 Shares to be issued upon the exercise of Special Warrants to Mr. Marton and 60,000 Shares to be issued on the exercise of Special Warrants to Atilon Pty Ltd. a company controlled by Mr. Marton.

(3) An associate of Al S. Marton.

Pooling Agreement

Pursuant to a pooling agreement dated May 25, 2004 (the "Pooling Agreement") between the Issuer and the Special Warrant holders and shareholders of the Issuer (collectively the "Securities Holders"), the Securities Holders agreed to a voluntary hold period of up to nine months on Shares and Shares to be issued on the exercise of Special Warrants held by them and not otherwise subject to escrow. Pursuant to the Pooling Agreement, 25% of the Shares are to be released on the Listing Date and 25% every three months thereafter.

A total of 2,490,000 Shares issued on the exercise of Special Warrants and an additional 253,453 Shares issued in February of 2004 will be subject to the Pooling Agreement.

The hold period pursuant to the Pooling Agreement does not replace any hold periods that are imposed by securities laws or the policies of the Exchange, they are in addition to, and run concurrently with such hold periods.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of the Issuer no person beneficially owns, directly or indirectly or exercises control or direction over, or has a combination of direct or indirect beneficial ownership of and control or direction over shares carrying more than 10% of the voting rights attached to the Issuer's issued and outstanding common shares, as at April 30, 2004 or to the Issuer's issued and outstanding shares as at the completion of this Offering except as follows:

Name	Number of Shares	Percentage of Shares as at April 30, 2004(1)	Percentage of Class Upon Completion of the Offering	Percentage of Class Upon Completion of the Offering (fully diluted)(3)
Al S. Marton	5,360,000(2)	60.95%	36.23%	28.43%

Notes

(1) Includes 2,940,000 Share to be issued on the exercise of Special Warrants.

(2) Includes 5,000,000 Shares held by QEP a company controlled by Mr. Marton; 300,000 Shares to be issued upon the exercise of Special Warrants to Mr. Marton and 60,000 Shares to be issued on the exercise of Special Warrants to Atilon Pty Ltd. a company controlled by Mr. Marton.

(3) Fully diluted, assuming exercise of: the Special Warrants, all Broker's Warrants, all Agent's Warrants, all Greenshoe Options and all proposed options to purchase shares of the Issuer.

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holdings

The following individuals are the directors, officers and promoters of the Issuer:

Name, Position with the Issuer and Municipality of Residence(1)	Principal Occupation During previous Five Years	Date Appointed	Number of Shares(2) Prior to Offering	Number of Shares(2)(3) After Offering
Al S. Marton(4) *President and Director* Stratford, Queensland, Australia	Professional Geologist, Managing Director Juldex Pty Ltd.	April 14, 2004(4)	5,360,000 60.95%	5,360,000 36.23%

Name, Position with the Issuer and Municipality of Residence(1)	Principal Occupation During previous Five Years	Date Appointed	Number of Shares(2) Prior to Offering	Number of Shares(2)(3) After Offering
Craig D. Thomas(6) *Secretary, CFO and Director* West Vancouver, BC	Barrister & Solicitor; Principal, Thomas, Rondeau, January 1996 - present.	February 15, 1996 (5)	200,000 2.27%	200,000 1.35%
David Fennell(6) *Director* Nassau, Bahamas	Executive Vice Chair Miramar Mining Corporation, mining executive	April 14, 2004	200,000 2.27%	200,000 1.35%
Alf Paton(6) *Director* Wollstonecraft, NSW Australia	Mining Executive, Non-executive Director QEP; Chairman Hill End;Gold Limited; Chairman Austpac Resources N.L.; Director Care Australia	April 14, 2004	50,000 0.57%	50,000 0.34%

Notes:

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors individually.

(2) Including shares issued on the exercise of Special Warrants and assuming the exercise of all outstanding Special Warrrants, but excluding any shares that may issued upon the exercise of Broker's Warrants, Agent's Warrants, the Greenshoe Option or shares that may be issued on the exercise of options.

(3) Subject to Escrow restrictions see "Escrowed Securities - Escrowed Shares".

(4) Mr Marton was appointed Secretary of the Issuer on October 21, 2003 and President and a Director on April 14, 2004. Mr. Marton is also the controlling shareholder, president and a director of QEP.

(5) Mr. Thomas has been a director since the incorporation of the Issuer on February 15, 1996 and served as President of the Issuer until January 30, 2004, on which day he was appointed Secretary.

(6) Member of the Issuer's Audit Committee.

Management of the Issuer

The following are profiles of the Issuer's members of management:

Al S. Marton, President and Director

Mr. Marton, 53, is a professional Geologist and member of the Australasian Institute of Mining and Metallurgy. He received his B.Sc. in geology from the University of British Columbia in 1980. Since 1984 he has been the managing director of Juldex Pty Ltd. and actively involved with the exploration for precious and base minerals in the state of Queensland in Australia.

Craig D. Thomas, Secretary, Chief Financial Officer and Director

Mr. Thomas, 52, is a barrister and solicitor and principal of the law firm of Thomas Rondeau specializing in the practice of corporate and securities law matters, including structuring and implementation of corporate financing transactions, public and private securities offerings, mergers and acquisitions, registration, reporting and compliance matters. Mr. Thomas obtained his undergraduate degree in 1975 from Harvard College and his bachelor of laws degree in 1978 from the University of Alberta. Mr.

Thomas has practised law in British Columbia since 1979. Mr. Thomas has served as an officer and director of numerous publicly listed companies.

David Fennell, Director

Mr. Fennell, 51, earned a Bachelor of Arts degree, with Honours, from the University Of North Dakota in 1973. After graduating from the University Of North Dakota, Mr. Fennell returned to Edmonton, Alberta to continue his education at the University Of Alberta law school (from which he received his law degree in 1979) and to play professional football in the Canadian FootBall League. His ten year career with the Edmonton Eskimos resulted in his election to the CFL Hall of Fame in 1989.

After graduating from law school, he practiced in the areas of corporate and resource law, until 1983 when he founded Golden Star Resources. During his term as Golden Star President & CEO, Golden Star became a TSE 300 company and one of the largest and most successful exploration companies. In 1998, Mr. Fennell left Golden Star to become Chairman and CEO of Cambiex Explorations Ltd, which became Hope Bay Gold Corporation. He held this position until the merger of Hope Bay and Miramar Mining Corporation where he continues as Executive Vice-Chairman and Director for the combined entity.

Alf Paton, Director

Mr. Paton, 80, Mr Paton is currently the Chairman of Austpac Resources N.L. and Hill End Gold Limited is also a Director of CARE Australia. Mr Paton has an engineering background and has over 50 years' experience in business including the mining industry. From 1987 to 1990 he was the Managing Director of Placer Pacific Limited and Kidston Gold Mines Limited, and was Chairman of these companies from 1990 to 1994, when he also retired as a Director of Placer Dome Inc. Canada.

Penalties or Sanctions

None of the directors, officers, promoters or proposed directors or officers of the Issuer, within the ten years prior to the date of this prospectus, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or theft or fraud.

Personal Bankruptcies

No director, officer, promoter or proposed directors or officers of the Issuer has, within ten years before the date of this prospectus, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or institute any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Issuer and their promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of the Issuer and their duties as a director, officer, promoter or member of management of such other companies.

The proposed directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia), as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers, promoters or proposed directors or officers of the Issuer are or have been, within the ten years prior to the date of this prospectus, a director, officer or promoter of any company which was the subject of a cease trade or similar order or an order that denied that company access to any statutory exemptions for a period of more than 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, officer, promoter or other member of management of such company other than:

1. Craig D. Thomas who is a director of Anglo-Andean Exploration Inc., a reporting issuer that had cease trade orders issued by the British Columbia Securities Commission on February 16, 2002 and the Alberta Securities Commission on October 26, 2001 for the failure to file financial statements. Both cease trade orders are still in effect.
2. Craig D. Thomas who is a director of Rystar Communications Ltd., a reporting issuer that had cease trade orders issued by the Alberta Securities Commission on December 22, 2000 and the British Columbia Securities Commission on January 22, 2001 for the failure to file financial statements. Both cease trade orders are still in effect.
3. Craig D. Thomas who is a director of Terramin Mining Inc., a reporting issuer that had a cease trade order issued by the British Columbia Securities Commission on May 29, 2001 and the Alberta Securities Commission on July 6, 2001 for the failure to file financial statements. Both cease trade orders are still in effect.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table, presented in accordance with applicable securities laws, sets forth all annual and long-term compensation for services in all capacities to the Issuer and its subsidiaries for the fiscal year ended December 31, 2003 paid to the individuals who served as Chief Executive Officer of the Issuer during the financial year ended December 31, 2003 and the other executive officers of the Issuer whose total salary and bonus was $100,000 or more for the financial year ended December 31, 2003 (collectively, the "Named Executive Officers"). During the financial year ended December 31, 2003, the Issuer had two Named Executive Officers, namely Craig D. Thomas, who was appointed President on the incorporation of the Issuer on February 15, 1996 and Al S. Marton who was the president of the Issuer's Subsidiary Asmam;

Summary Compensation Table								
		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year (ending Dec. 31)	Salary ($)	Bonus (%)	Other Annual Compen -sation ($)	Securities Under Options/ SARs Granted (#)	Restricted Shares or Restricted Share Units ($)	LTIP Payouts ($)	All Other Compen- sation ($)
Al Marton[(1)] *President of Asmam*	2003 2002	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	15,000[(2)] Nil
Craig D. Thomas[(1)] *President*	2003 2002	Nil Nil	Nil Nil	4,000[(3)] Nil	Nil Nil	Nil Nil	Nil Nil	40,942[(4)] Nil

Note

(1) Subsequent to the year ended December 31, 2003, on January 30, 2004, Mr. Thomas ceased to be the president of the Issuer and Al S. Marton was appointed to the office. On January 30, 2004 Mr. Thomas became the secretary of the Issuer.

(2) Includes fees of $7,500 for each of the months of November and December, payable to a company controlled by Al Marton pursuant to a management and service agreement whereby Asmam is provided with office space and services and administrative support in respect of its Australian operations. See “Management Agreement with Al S. Marton” below.

(3) For the period January 1, 2003 to August 30, 2003 Mr. Thomas was paid a monthly management fee of $500.00. The amount due under the agreement was satisfied by the issuance of 400,000 Shares at a deemed price per share of $0.01.

(4) $37,942 paid for legal services to a law firm of which Mr. Thomas is a principal. In addition $3,000 was accrued to a company of which Mr. Thomas is a principal for office space and services for the months of November and December of 2003.

Long-term Incentive Plan

The Issuer does not have any long-term incentive plans.

Options

There were no stock options granted to the Named Executive Officer during the fiscal year ended December 31, 2003.

The were no incentive stock options either exercised or unexercised, held by the Named Executive Officers of the Issuer during the fiscal year ended December 31, 2003

Termination of Employment, Change in Responsibilities and Employment Contacts

Except as described below there are no employment contracts existing between the Issuer and any Named Executive Officer.

Except as described below there are no compensatory plans or arrangements with respect to any Named Executive Officer resulting from resignation, retirement or other termination of employment or from a change of control of the Issuer.

Management Agreement with Craig D. Thomas

During the financial year ended December 31, 2003, Craig D. Thomas was paid a management fee of $500 per month for the months from January to August of 2003 pursuant to a management agreement dated January 1, 2003. On September 15, 2003, accrued fees totalling $4,000 were settled by the issuance of 400,000 Shares at a deemed price per Share of $0.01 and the agreement was terminated.

Management Agreement with Al S. Marton

Subsequent to the year ended December 31, 2003, the Issuer has entered into a management agreement with Juldex Pty Ltd. ("Juldex"), a company controlled by Mr. Marton, whereby the Issuer will pay Juldex a management fee of $120,000 per annum commencing on May 1, 2004, with such annual increases as may be determined by the Board of Directors.

In addition, reimbursable expenses for office space and services and administrative support are payable to Juldex. Reimbursable expenses are expected to be A$7,500 per month.

The initial term of the agreement is for three years and will be automatically extended for successive one year terms unless terminated by written notice at least three months prior to the end of any term. In the event that the Issuer terminates the agreement with Juldex without cause or Juldex terminates the agreement within 12 months after a change in control of the Issuer, the Issuer shall pay an amount equal to three times the annual remuneration at the date of termination.

Compensation Paid to Directors

During the financial year ended December 31, 2003 there was no compensation paid to directors of the Issuer except as otherwise disclosed herein.

Stock Options

The Issuer has no standard arrangement pursuant to which directors are compensated by the Issuer for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the Exchange. During the financial year ended December 31, 2003, no incentive stock options were granted to directors of the Issuer who were not Named Executive Officers.

Other than as disclosed elsewhere herein, the Issuer has not granted any other compensation benefits whatsoever.

Proposed Options

Effective upon the listing of the Issuers Shares on the Exchange, the Issuer is proposing to grant a total of 1,479,300 incentive stock options pursuant to the Issuer's stock option plan to senior officers, directors, consultants and employees of the company. The options will be excisable for a period of five years from the Listing Date at a price of $0.30 per Share. See "Options to Purchase Securities - Proposed Stock Options".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former officer or director or any of their respective associates is indebted to the Issuer or any of its subsidiaries. Neither the Issuer nor any of its subsidiaries has guaranteed or has entered into any support agreement or similar arrangement in respect of any indebtedness of any current or former director or officer of the Issuer or any of their respective associates.

PLAN OF DISTRIBUTION

The Offering

The Issuer, by an Agency Agreement dated as of May 29, 2004 (the "Agency Agreement") has appointed the Agent as its agent to offer to the public in the provinces of British Columbia, Alberta and Ontario on a commercially reasonable efforts basis Shares to raise $1,800,000 and to serve as sponsor with respect to the Issuer's application to list the Shares for trading on the Exchange. The Shares will be offered at a price of $0.30 per Share.

The Issuer has granted the Agent the Greenshoe Option pursuant to which the Agent may acquire from the Issuer up to an additional 15% of the number of Shares sold under the Offering, exercisable within 60 days of the closing of the Offering to cover over allotments. This prospectus also qualifies the grant of the Greenshoe Option and the issuance of Shares purchased pursuant to exercise of the Greenshoe Option.

The Agent may make co-brokerage arrangements with other investment dealers at no additional cost to the Issuer. The Agent is not obligated to purchase any Shares. The obligations of the Agent are conditional and may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The offering price of this Offering was determined by negotiation between the Issuer and the Agent.

The completion of the Offering is subject to a minimum subscription of $1,800,000. Subscriptions will be received for the Shares offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event this minimum subscription is not attained, all funds raised hereunder will be returned by the Agent and refunded to investors without interest or deduction. The Offering will cease if the minimum is not subscribed within 90 days of the date of the final prospectus receipt.

In consideration for its services in connection with the Offering of the Shares, the Issuer has agreed to pay to the Agent a cash commission equal to 7% of the gross proceeds of the Offering. Upon completion of the Offering the Issuer will also issue to the Agent the Agent's Warrants to acquire that number of Shares equal to 15% of the number of Shares sold pursuant to the Offering and pursuant to the Greenshoe Option (if any) exercisable at price of $0.30 per Share for a period of 18 months from the Closing Date. In the event that that the Issuer's shares trade at a price of $0.60 or more for a period of at least 30 consecutive trading days, the Issuer will have the right to accelerate the exercise period of the Agent's Warrants to 30 days. This prospectus also qualifies the distribution of the Agent's Warrants.

The Issuer will also pay the Agent a corporate finance fee for acting as Agent of the Offering and the Brokered Private Placement in the amount of $30,000 (plus GST) of which $10,000 (plus GST) was paid on the closing of the Brokered Private Placement.

The Issuer will pay for all reasonable expenses incurred by the Agent in connection with the Offering and the Brokered Private Placement, including the Agent's out-of-pocket expenses and fees and disbursements of the Agent's legal counsel. The Issuer paid a expense deposit of $13,000 at the closing of the Brokered Private placement.

Upon completion of the offering, the Issuer will granted the Agent a right of first refusal to provide equity financing to the Issuer for a period of one year from the date of closing of this Offering.

An application has been made to conditionally list the Shares offered herein on the TSX Venture Exchange. Listing is subject to the Issuer fulfilling all the listing requirements of the Exchange.

Special Warrants

This prospectus also qualifies the distribution of 2,940,000 Shares, issuable for no additional consideration, upon the exercise of 2,940,000 the Special Warrants previously issued by the Issuer at a price of $0.10 per Special Warrant pursuant to applicable statutory exemptions from prospectus and registration requirements. Pursuant to an agency agreement dated October 21, 2003, the Agent acted as broker for the Brokered Private Placement of 2,000,000 of the Special Warrants. Employees, brokers and family members of employees and brokers of the Agent purchased a total of 465,000 Special Warrants in the Brokered Private Placement. The Issuer also issued 1,140,000 Special Warrants in the Non-Brokered Private Placement. On April 14, 2004, 200,000 Shares were issued on the voluntary exercise of 200,000 Special Warrants. The issue price of the Special Warrants was determined by negotiation between the Issuer and Agent.

The Issuer paid the Agent a cash commission of $16,000 equal to 8% of the gross proceeds of the Brokered Private Placement. The Issuer also issued to the Agent 300,000 Compensation Options. Each Compensation Option entitles the Agent to acquire one Broker's Warrant without additional consideration. Each Broker's Warrant entitles the Agent to purchase one Share at the price of $0.10 per Share exercisable for a period of 12 months from the Closing Date. This prospectus also qualifies the issuance of the Broker's Warrants on issuance of the Compensation Options

RISK FACTORS

The securities of the Issuer offered hereunder must be considered highly speculative due to the nature of the Issuer's business and the general stage of its development. In addition to the usual risks associated with investment in a business, investors should carefully consider the following risks factors in evaluating the Offering and the business of the Issuer:

Limited Operating History

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Issuer's property. The purposes of this Offering is to raise funds to carry out exploration and development with the objective of establishing economic quantities of mineral reserves. There can be no assurance that the Issuer will achieve profitability in the future.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

All of the Issuer's prospects are in the exploration stages only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Title Risks

Although the Issuer has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Issuer's mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

Interests in tenements in Australia are governed by the respective State Government legislation and are evidenced by the granting of tenements through the issuing of a lease or licence. Each lease or licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Issuer could lose title to or its interests in tenements if licence conditions are not met or if sufficient funds are not available to meet expenditure commitments

The Issuer holds an EPM application. There is no guarantee that the exploration licences that are the subject of the application will be granted by the Queensland Minister for Natural Resources and Mines. The Minister may refuse the application. Persons may object to the grant of licences and the Minister will take objections into consideration when making the decision on whether or not to grant the tenement.

If the exploration licences' application is granted, they will be subject to various standard conditions including, but not limited to prescribed licence conditions. Any failure to comply with the expenditure conditions or with the other conditions on which the licences are held, expose the licence to forfeiture. Generally, the licences are granted for a term of five years and further renewal of an exploration licence is at the discretion of the Minister and will only be granted in exceptional circumstances.

If the Issuer does not spend sufficient funds as required by the relevant State Governments on its exploration tenements then these tenements could be cancelled with the Company receiving no compensation.

In the event that the Issuer is successful in the discovery of an economic body of mineralisation, the Issuer has the right to apply for a mining tenement or a Mineral Development Lease in Queensland. The grant of such tenements is also subject to the Mines Acts in the state of Queensland and these will only be granted on the terms and conditions that the relevant Ministers consider appropriate. Once granted, such leases are liable to forfeiture on breach of any conditions.

Native Title and Aboriginal Heritage

Native title legally recognizes the unique title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. State and Commonwealth native title legislation regulates the recognition, application and protection of native title. Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. Indigenous land use agreements, including terms of compensation, may need to be negotiated with affected parties.

There may be sites and objects of significance to indigenous Australians located on the land relating to the Issuer's tenements. State and Commonwealth Aboriginal heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. Aboriginal heritage may restrict access to the affected land and result in the preclusion of any exploration or mining activities in that area. Access agreements may need to be negotiated with affected parties.

It is not possible to quantify the financial or other impact (if any) of native claim or Aboriginal heritage upon the Issuer.

Mineral Resource Estimation Risk

Resource estimates are an expression of judgement on behalf of the person making the estimate. Some resource estimates can be changed with the addition of new information. Resource estimates can be imprecise and depend on interpretations by the person making the estimate, such interpretations can prove to be incorrect.

The Mountain Maid Prospect has inferred resources of gold estimated on it. There is no guarantee that these estimates are correct. None have been calculated by the Issuer, and although they have been calculated by persons with knowledge and experience, the Issuer can not guarantee their accuracy.

Requirement for Additional Financing

The further development and exploration of the Mungana Project depends upon the Issuer’s ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Issuer will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Issuer to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Issuer to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, the Issuer may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits. Nevertheless, the impact of any uninsured liabilities would likely have a material adverse effect on the financial position of the Issuer.

Environmental Regulations, Permits and Licenses

The Issuer's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Issuer intends to fully comply with all environmental regulations.

The current or future operations of the Issuer, including development activities and commencement of production on its properties, require permits from various, federal, provincial or territorial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Issuer obtain permits from various governmental agencies. There can be no assurance, however, that all permits which the Issuer may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on any mining project which the Issuer might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Issuer's knowledge, it is operating in compliance with all applicable rules and regulations.

No Commercial Ore

The properties on which the Offering funds are to be expended do not contain any identified amounts of commercial ore. The Issuer’s programmes are an exploratory search therefor.

Mineral Exploration and Mining Carry Inherent Risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on the Issuer's operations and its financial results.

Competition

The mining industry is intensely competitive in all its phases, and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

Management

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse affect on the Issuer and its prospects.

Metal Prices are Volatile

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Issuer's properties can be mined at a profit. Factors beyond the control of the Issuer may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Issuer's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Conflict of Interests

Certain of the directors and officers of the Issuer are directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with the Issuer for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of the Issuer and, if the conflict involves a director, the director will abstain from voting for or against the approval of such a participation or such terms. In appropriate cases, the Issuer will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the provisions of the *Business Corporations Act*, (Yukon) the directors and officers of the Issuer are required to act honestly in good faith, with a view to the best interests of the Issuer. In determining whether or not the Issuer will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Issuer, the degree of risk to which the Issuer may be exposed and its financial position at that time.

Residency of Directors, Officers and Others

Several of the directors of the Issuer named herein reside outside of Canada. Substantially all of the assets of these persons, and the Issuer, are located outside of Canada. Although the Issuer has appointed Thomas Rondeau as its agent for service of process in Canada, it may not be possible for investors to effect services of process within Canada upon the directors or officers named above. It may also not be possible to enforce against the Issuer, certain of its directors and officers, and certain experts named herein, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Key Personnel

Recruiting and retaining qualified personnel is critical to the Issuer's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Issuer's business activity grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff on the operations side. Although the Issuer believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Foreign Currency Exchange

The Issuer's operations incur most expenditures in the local currency of Australia, while most of the funds it raises are Canadian dollars. This renders the Issuer subject to foreign currency fluctuations which may materially affect its financial position and operating results.

Resale of Shares

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Issuer's Shares. An active public market for the Shares might not develop or be sustained after this Offering. The initial public offering price of the Shares has been determined by negotiations between the Issuer and representatives of the Agent and this price will not necessarily reflect the prevailing market price of the Shares following this Offering. If an active public market for the Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Dilution

The offering price of the Shares issuable under this Offering significantly exceeds the net tangible book value of the Shares. Accordingly, investors will suffer immediate and substantial dilution of their investment.

Tax Issues

Income tax consequences in relation to the Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing for the Shares.

Dividend Record and Policy

The Issuer has not paid any dividends since incorporation and does not anticipate declaring any dividends on its common shares in the foreseeable future. The directors of the Issuer will determine if and when dividends should be declared and paid in the future based on the Issuer's financial position at the relevant time.

PROMOTERS

Al S. Marton and Craig D. Thomas are considered to be the promoters of the Issuer in that they took the initiative in founding and organizing the Issuer. Mr. Marton holds directly or indirectly 5,360,000 Shares representing 60.95% of the number of Shares (including Shares issuable on the exercise of Special Warrants) outstanding prior to completion of this Offering and 36.23% of the issued and outstanding Shares after completion of this Offering. Mr. Thomas holds directly or indirectly 200,000 Shares representing 2.27% of the number of Shares (including Shares issuable on the exercise of Special Warrants) outstanding prior to completion of this Offering and 1.35% of the issued and outstanding Shares after completion of this Offering.

The Issuer has entered into a management agreement with Mr. Marton as President whereby the Issuer will pay Mr. Marton a management fee of A$120,000 commencing on May 1, 2004, with such annual increases as may be determined by the Board of Directors. In addition, Mr. Marton has been granted options to purchase 429,300 Shares be excisable for a period of five years from the Listing Date at a price of $0.30 per Share See "Executive Compensation - Management Agreement with Al S. Marton".

The Issuer entered into an agreement dated as of September 15, 2003 with QEP, a company controlled by Mr. Marton, whereby the Issuer purchased from QEP all the issued and outstanding shares of Asmam for the purchase price of $500,000 paid by the issuance of 5,000,000 Shares at a deemed price per share of $0.10. Asmam entered into an asset purchase agreement dated as of September 15, 2003 with QEP whereby Asmam acquired from QEP certain mineral tenements that make up the Mungana Project. The purchase price of $500,002 was paid by the issuance to QEP of 500,002 fully paid ordinary shares in the capital of Asmam with a face value of $1.00 per share.

The Issuer entered into a management agreement dated as of January 1, 2003 with Mr. Thomas whereby, Mr. Thomas would be paid a management fee of $500 per month. On September 15, 2003, accrued fees totalling $4,000 were settled by the issuance of 400,000 Shares at a deemed price per Share of $0.01 and the agreement was terminated.

Except as otherwise disclosed herein, neither Mr. Marton or Mr. Thomas have been a promoter of any person or company during the past ten years that was subject to a cease trade order for a period more than 30 consecutive days, nor became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets. See “Directors and Officers -

LEGAL PROCEEDINGS

Management knows of no legal proceedings, contemplated or actual, involving the Issuer which could materially affect the Issuer or the Offering.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, since the commencement of the Issuer’s last completed financial year, no insider of the Issuer, or director of the Issuer, or any associate or affiliate of such insider or proposed nominee has been materially interested in any transaction of Issuer, nor is any such person interested in any proposed transaction which has materially affected or would materially affect Issuer, other than the agreement dated as of September 15, 2003 with QEP, a controlling shareholder of the Issuer and a company controlled by Mr. Marton, a director, and the President of the Issuer, whereby the Issuer purchased from QEP all the issued and outstanding shares of Asmam for the purchase price of $500,000 paid by the issuance of 5,000,000 Shares at a deemed price per share of $0.10. Immediately prior thereto Asmam entered into an asset purchase agreement dated as of September 15, 2003 with QEP whereby Asmam acquired from QEP certain mineral tenements that make up the Mungana Project. The purchase price of $500,002 was paid by the issuance to QEP of 500,002 fully paid ordinary shares in the capital of Asmam with a face value of $1.00 per share; and

RELATIONSHIP BETWEEN THE ISSUER AND AGENT

The Issuer is not a “related party” or a “connected party” to the Agent, as such terms are used in the *Securities Act* (British Columbia), the *Securities Act (Alberta)* and the *Securities Act* (Ontario).

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Issuer are Davidson & Company, Chartered Accountants of 1200 - 609 Granville Street, P.O. Box 10372 Pacific Centre, Vancouver, British Columbia V7Y 1G6. Pacific Corporate Trust

Company of 625 Howe Street, 10th Floor, Vancouver, British Columbia, V6C 3B8, is the transfer agent and registrar for the Common Shares of the Issuer.

MATERIAL CONTRACTS

The following are material contracts entered into by the Issuer or Asmam in the previous two years to the date hereof:

1. Asset Purchase Agreement dated September 15, 2003 between Asmam and QEP whereby Asmam purchase the mineral tenements that make up the Mungana Project. See "General Development of the Business - Recent History".

2. Scrip for Scrip Agreement dated September 15, 2003 between the Issuer and QEP whereby the Issuer purchased all the issued and outstanding shares of Asmam. See "General Development of the Business - Recent History".

3. Agency Agreement dated October 21, 2003 between the Issuer and the Agent whereby the Agent agreed to act as broker for the Brokered Private Placement. See "Plan of Distribution - Special Warrants".

4. Agency Agreement dated as of May 29, 2004 between the Issuer and the Agent whereby the Agent agreed to act as agent for this Offering and sponsor for the listing of the Shares on the Exchange. See "Plan of Distribution - The Offering".

5. Registrar and Transfer Agent Agreement dated May 25, 2004 between the Issuer and Pacific Corporate Trust Company whereby Pacific Corporate Trust Company was appointed to be the transfer agent for the Issuer. See "Auditors, Transfer Agent and Registrar"

6. Escrow Agreements dated May 25, 2004 between the Issuer, QEP and the Escrow Agent, whereby the Principals agreed to deposit their escrowed securities in escrow. See "Escrowed Securities - Escrowed Shares".

7. Escrow Agreements dated May 25, 2004 between the Issuer, the Principals of the Issuer and the Escrow Agent, whereby the Principals agreed to deposit their escrowed securities in escrow. See "Escrowed Securities - Escrowed Shares".

8. Pooling Agreement dated May 25, 2004 between the Issuer and shareholders of the Issuer, whereby shareholders agreed to hold their Shares for a period of up to nine months. See ""Escrowed Securities - Pooling Agreement".

9. Management and Service Agreement between the Issuer, Juldex Pty Ltd. and Al S. Marton dated for reference April 30, 2004 whereby Juldex is to be paid a management fee of $10,000 per month and Juldex will provide Asmam office and administrative services and facilities. See "Executive Compensation - Management Agreement with Al S. Marton".

10. Management Agreement between G.L. March & Associates Ltd. and Craig D. Thomas dated for reference January 1, 2003 whereby Mr. Thomas is to be paid a monthly renumeration equal to $500 per month. See "Executive Compensation - Management Agreement with Craig D. Thomas".

11. Shares for Debt Agreement between G.L. March & Associates Ltd. and Craig D. Thomas dated for reference September 15, 2003 whereby the Issuer was indebted to Mr. Thomas in the amount of $4,000 and Mr. Thomas agreed to accept shares in the capital of the Issuer in payment of 100% of the indebtedness.

12. Shares for debt agreement between the Issuer and Senlac Geological Services Pty Ltd. ATF Christopher Family Trust ("Senlac") dated for reference April 15, 2004 whereby the Issuer is indebted to Senlac in the amount of CDN$4,036.11 and Senlac has agreed to accept shares in the capital of the the Issuer in payment of 100% of the indebtedness.

Copies of the above material contracts may be inspected at the offices of Thomas, Rondeau, Business lawyers, Suite 1525 – 625 Howe Street, Vancouver, British Columbia V6V 2T6 during normal business hours.

EXPERTS

Certain legal matters related to this Offering will be passed upon on behalf of the Issuer by Thomas, Rondeau, Business Lawyers.

Income tax consequences are not viewed as a material aspect of the Offering of the Shares hereunder. **Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Shares under this Prospectus**

No Expert nor any associate of any such Expert, which holds any beneficial interest, direct or indirect, in any securities or property, of the Issuer or of an associate or affiliate of the Issuer, or who is or is expected to be elected, appointed or employed as a Director, senior officer or employee of the Issuer, or of an associate or affiliate of the Issuer, or is an promoter of the Issuer, or of an associate or affiliate of the Issuer other than Craig D. Thomas, secretary and director of the Issuer, who is a principal the law firm Thomas, Rondeau.

OTHER MATERIAL FACTS

Investor Relations Arrangements

The Issuer has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Issuer or its securities, or to engage in activities for the purpose of stabilizing the market, either now or in the future.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right must be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In the Provinces of British Columbia, Alberta and Ontario the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provision of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In the event that a holder of a Special Warrant, who acquires Shares of the Issuer upon the exercise of a Special Warrant as provided for in this prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of the Special Warrants but also of the subscription pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid on the acquisition of the Special Warrants. In the event such holder is a permitted assignee of the interest of the original Special Warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was the original subscriber. The foregoing is in addition to any other right or remedy available to a holder of Special Warrants under applicable provisions of the securities legislation of the Special Warrant holder's province or territory or otherwise at law.

FINANCIAL STATEMENTS

Attached to and forming a part of this prospectus are audited financial statements of the Issuer for the fiscal years ended December 31, 2003 and December 31, 2002.

AUDITORS' CONSENT

We have read the prospectus of Queensland Minerals Ltd. (the "Company") dated _____________ relating to the issue and sale of 6,000,000 shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the directors of the Company on the balance sheets of the Company as at December 31, 2003 and 2002 and the statements of operations and deficit and cash flows for each of the years then ended. Our report is dated February 17, 2004 (except as to Note ____ which is as of _____________________).

Vancouver, Canada

Chartered Accountants

DATE

SCHEDULE "A"

QUEENSLAND MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

QUEENSLAND MINERALS LTD.
(formerly G.L. March & Associates Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

AUDITORS' REPORT

To the Directors of
Queensland Minerals Ltd. (formerly G.L. March & Associates Ltd.)

We have audited the consolidated balance sheets of Queensland Minerals Ltd. (formerly G.L. March & Associates Ltd.) as at December 31, 2003 and 2002 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

Chartered Accountants

February 17, 2004
(Except as to Note 11 which
is as of May 29, 2004)

QUEENSLAND MINERALS LTD.
(formerly G.L. March & Associates Ltd.)
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31

	2003	2002
ASSETS		
Current		
Cash and equivalents	$ 36,631	$ 2
Receivables	12,733	-
	49,364	2
Due from related party (Note 7)	9,501	-
Deferred financing costs	68,564	-
Mineral properties (Note 4)	603,925	387,509
	$ 731,354	$ 387,511
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 90,770	$ 4,796
Due to related parties (Note 7)	18,210	-
	108,980	4,796
Due to affiliated company (Note 4)	-	387,509
	108,980	392,305
Shareholders' equity (deficiency)		
Capital stock (Note 5)	401,410	2
Special warrants (Note 5)	272,772	-
Contributed surplus (Note 5)	11,778	-
Deficit	(63,586)	(4,796)
	622,374	(4,794)
	$ 731,354	$ 387,511

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

On behalf of the Board:

_______________________Director _______________________Director

The accompanying notes are an integral part of these consolidated financial statements.

QUEENSLAND MINERALS LTD.
(formerly G.L. March & Associates Ltd.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED DECEMBER 31

	2003	2002
EXPENSES		
Bank charges	$ 40	$ -
Office and administration	18,000	-
Professional fees	21,948	3,160
Regulatory and filing fees	350	-
Loss before other item	(40,338)	(3,160)
OTHER ITEM		
Foreign exchange gain (loss)	3,705	(285)
Loss for the year	(36,633)	(3,445)
Deficit, beginning of year	(4,796)	(1,351)
Adjustment		
Acquisition of net liabilities pursuant to acquisition (Note 3)	(22,157)	-
Deficit, end of year	$ (63,586)	$ (4,796)
Basic and diluted loss per common share	$ (0.01)	(Note 2)
Weighted average number of common shares and special warrants outstanding	5,688,603	(Note 2)

The accompanying notes are an integral part of these consolidated financial statements.

QUEENSLAND MINERALS LTD.
(formerly G.L. March & Associates Ltd.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (36,633)	$ (3,445)
Changes in non-cash working capital items:		
Increase in receivables	(10,398)	-
Increase in due from related party	(9,501)	-
Increase in accounts payable and accrued liabilities	48,032	3,445
Increase in due to related party	18,210	-
Net cash provided by operating activities	9,710	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred financing costs	(68,564)	-
Proceeds from issuance of special warrants (gross)	314,000	-
Special warrant issuance costs	(16,000)	-
Net cash provided by financing activities	229,436	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(202,517)	-
Net cash used in investing activities	(202,517)	-
Change in cash and equivalents during the year	36,629	-
Cash and equivalents, beginning of year	2	2
Cash and equivalents, end of year	$ 36,631	$ 2
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of British Columbia on February 15, 1996 under the name G.L. March & Associates Ltd. On January 30, 2004, the Company changed its name to Queensland Minerals Ltd. and continued under the Business Corporations Act of the Yukon Territory. On April 14, 2004, the Company continued under the Business Corporations Act of British Columbia. Its principal business activity is the acquisition and exploration of mineral properties in Australia. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

On October 22, 2003, the Company acquired all of the issued and outstanding share capital of Asmam Pty Ltd. (“Asmam”) (Note 3).

On September 15, 2003, Asmam acquired a 100% interest in a mineral property from an entity under common control. The acquisition was accounted for as a continuity of interests (Note 4).

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete equity financings, or generate profitable operations in the future.

	2003	2002
Deficit	$ (63,586)	$ (4,796)
Working capital (deficiency)	(59,616)	(4,794)

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Asmam, incorporated under the laws of the state of Queensland, Australia. All significant inter-company transactions occurring subsequent to October 22, 2003, the date of acquisition (Note 3), and inter-company balances as of December 31, 2003 have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Cash and equivalents

Cash and equivalents include highly liquid investments with original maturities of three months or less.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued. Deferred financing costs consist primarily of corporate finance fees, legal fees, and audit and accounting fees.

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost less option payments received and other recoveries. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The Company defers all exploration expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Values

The amounts shown for mineral properties represent costs incurred to date and are not intended to reflect present or future values.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental protection and rehabilitation costs

Liabilities related to environmental protection and rehabilitation costs are accrued and charged to income when their likelihood of occurrence is established. This includes future removal and site restoration costs as required due to environmental law or contracts.

Foreign currency translation

Financial statements of the Company’s foreign subsidiary are translated using the temporal method whereby all monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Income and expenses are translated at rates which approximate those in effect on transaction dates. Gains and losses arising from restatement of foreign currency monetary assets and liabilities at each period end are included in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the year ended December 31, 2003, this calculation proved to be anti-dilutive. Potentially dilutive instruments would, if exercised, increase the number of common shares by 300,000 (2002 – Nil).

Basic loss per share is calculated using the weighted-average number of common shares and special warrants outstanding during the period.

Earnings per share information is not presented for the year ended December 31, 2002. As the Company was inactive during that year, such disclosure is not considered to be meaningful.

Income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

3. ACQUISITION

On October 22, 2003, the Company acquired all of the issued and outstanding share capital of Asmam. As consideration, the Company issued 5,000,000 common shares. This type of exchange of securities is referred to as a "reverse takeover" and, though the Company is the legal parent of Asmam, Asmam is deemed to have acquired the Company for accounting purposes since control of the Company passed to the former shareholder of Asmam. Accordingly, the transaction represented a recapitalization of Asmam.

The balance sheet at December 31, 2002 and the statements of operations and cash flows for the year then ended are those of Asmam. The equity amounts are also those of Asmam.

The consolidated statements of operations and cash flows include Asmam's results of operations and cash flows for the year ended December 31, 2003 and the Company's results of operations from October 22, 2003 (date of acquisition) to December 31, 2003. The number of common shares outstanding at December 31,2003 are the Company's (Note 5).

Asmam is deemed to have acquired the net liabilities of the Company of $22,157 on October 22, 2003. The net liabilities acquired have been charged against the deficit of the continuing operations of the Company.

3. ACQUISITION (cont'd…)

Supplemental information

As explained above, the Company's wholly-owned subsidiary, Asmam, is deemed to be the acquirer for accounting purposes. As a consequence, the results of operations and cash flows of the Company are not reflected in the consolidated statements of operations and cash flows for the period from January 1, 2003 to October 22, 2003. The results of operations of the Company for the period from January 1, 2003 to October 22, 2003 are set out below. The Company had no cash flows during this period.

Results of operations

Expenses		
Management fees	$	4,000
Professional fees		22,157
Loss for the period	$	26,157

4. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. Transfer of title to the Company's mineral properties acquired on September 15, 2003 remains subject to regulatory approval.

Mungana project, Queensland, Australia

Pursuant to an asset purchase agreement effective September 15, 2003, Asmam acquired a 100% interest in certain Exploration Permits for Minerals ("EPM's") and the rights to an EPM application comprising the Mungana project, a gold exploration property located in the Mareeba Mining District of the State of Queensland, Australia. As consideration, Asmam issued 500,000 fully paid ordinary shares in the capital of Asmam.

As the vendor of the Mungana project and Asmam were part of the same economic entity immediately prior to the transaction, the transaction has been accounted for using the continuity of interests method of accounting. Under this method of accounting, the cost of the Mungana project recorded by Asmam on September 15, 2003 reflects the carrying amount of the Mungana project recorded in the financial statements of the vendor immediately prior to the transaction , and the mineral property costs are presented in the financial statements of the Company as if the Company had held title to the mineral property since the date of the original acquisition of the mineral property by the vendor. For financial statement presentation purposes, the mineral property costs disclosed in the consolidated balance sheet for the year ended December 31, 2002 have been offset by an equal amount due to an affiliated company. On September 15, 2003, the date of acquisition of the Mungana project by Asmam, the amount due to an affiliated company as of that date was deemed to be settled upon the issuance of the 5,000,000 common shares to the vendor. This resulted in a decrease in the amount due to an affiliated company, and a corresponding increase to share capital, in an amount of $401,408.

4. MINERAL PROPERTIES (cont'd…)

An application for the transfer of title to the EPM's from the vendor to Asmam has been filed with the State of Queensland and remains subject to regulatory approval. Pursuant to the terms of the asset purchase agreement, the vendor will also file an application to transfer the EPM currently in the application process to Asmam upon granting of this EPM, if applicable, to the vendor by the state government.

Bank guarantees, totaling A$21,000, have been provided over the exploration rights that have been capitalized by Asmam. These guarantees are held by the vendor and have not yet been transferred to Asmam at December 31, 2003. The guarantees have been provided to the State of Queensland as security for, primarily, compliance with the conditions of the EPMs and state laws regarding mineral properties and environmental protection.

Annual renewal of the Company's EPM's, upon acceptance of the transfer application, will be subject to the Company paying annual rent and meeting designated annual expenditure requirements, determined by the state government.

The EPM's are subject to a royalty, payable to the State of Queensland, amounting to 2.7% of revenue from gold and silver production.

The Company has assumed an obligation regarding its mineral property, whereby a post-production cash payment of A$2,000,000 is required to be paid to an arm's length party following the production of 100,000 ounces of gold, if applicable, from one of the tenements comprising the Mungana project.

The acquisition cost and details of the Company's exploration costs on the Mungana project are as follows:

	2003	2002
Acquisition costs	$ 851	$ 1
Exploration costs		
Incurred during the year:		
Assaying, testing and analysis	5,702	102
Consulting, drafting and plan printing	113,816	13,012
Field supplies, vehicle and base operating costs	25,474	1,634
Salaries	16,920	388
EPM renewal and rent	5,727	5,017
Drilling	37,927	-
Travel and accommodation	8,322	-
Administration and other	1,678	-
	215,566	20,153
Balance, beginning of year	387,508	367,355
Balance, end of year	603,074	387,508
Total	$ 603,925	$ 387,509

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 common shares without par value			
Common shares issued			
As at December 31, 2002 and 2001	2	$ 2	$ -
Acquisition of Mungana project (Note 4)	500,000	401,408	-
Common shares of Asmam at October 22, 2003	500,002	401,410	-
Common shares of the Company at October 22, 2003	400,000	-	-
Common shares of Asmam at October 22, 2003	(500,002)	-	-
Common shares issued upon acquisition of Asmam (Note 3)	5,000,000	-	-
Agent's compensation options	-	-	11,778
As at December 31, 2003	5,400,000	$ 401,410	$ 11,778

On September 15, 2003, Asmam acquired a 100% interest in a mineral property in exchange for 500,000 ordinary shares of Asmam (Note 4).

On October 22, 2003, the Company acquired 100% of the share capital of Asmam in exchange for 5,000,000 common shares (Note 3).

Concurrent with the acquisition of Asmam, the Company completed a private placement of 3,140,000 special warrants for gross proceeds of $314,000. Each special warrant is exercisable into one common share of the Company without additional consideration and is exercisable on the earlier of the sixth business day after the issuance of a final receipt by the British Columbia Securities Commission for the Company's initial public offering prospectus and October 22, 2004 (Note 11).

In the event that the Company completes a transaction pursuant to which its shares become listed on a stock exchange, the special warrants or the shares issued upon exercise of the special warrants will be subject to a pooling agreement whereby 75% of such securities will be subject to a voluntary hold period with releases in the amount of 25% of the securities every three months from the date on which the Company's shares become listed on a stock exchange.

As part of the private placement, the Company paid agent's commission and other costs totaling $29,450 which have been treated as costs of the offering and recorded against proceeds. In addition, the Company issued 300,000 compensation options to the agent. Each compensation option entitles the agent to acquire one broker's warrant without additional consideration. Each broker's warrant entitles the agent to purchase one common share at $0.10 per share for one year from the date of closing of an initial public offering of the Company. Using the Black-Scholes option pricing model, the agent's compensation options are recorded at fair value through additions to contributed surplus in shareholders' equity. Total stock-based compensation for the 300,000 agent's compensation options recognized in this manner during the current year is $11,778 (2002 - $Nil).

5. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

The following assumptions were used for the Black-Scholes valuation of agent's compensation options granted during the year:

Risk-free interest rate	3.15%
Expected life of options	1 year
Expected volatility	100%
Dividend rate	0.00%

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and equivalents, receivables, accounts payable and accrued liabilities and amounts due to and from related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the current year:

a) Paid or accrued consulting fees and other exploration costs of $90,187 (2002 - $Nil) to a company controlled by an officer and director of the Company.

b) Paid or accrued office and administration costs of $18,000 (2002 - $Nil) to companies controlled by directors and officers of the Company.

c) Paid or accrued legal fees of $37,942 to a law firm of which a director of the Company is a partner.

Due from related party consists of balances owing of $9,501 (2002 - $Nil) from a company controlled by an officer and director of the Company. Due to related parties consists of balances owing of $18,210 (2002 - $Nil) to companies controlled by officers and directors of the Company. These balances are unsecured, non-interest bearing with no specific terms of repayment and accordingly the fair value cannot be determined.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

In addition, the Company's subsidiary acquired mineral tenements comprising the Mungana project from a company controlled by an officer and director of the Company (Note 4).

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2003	2002
Loss before income taxes	$ (36,633)	$ (3,445)
Expected income tax recovery	$ (13,774)	$ (1,364)
Effect of lower tax rate of foreign jurisdiction	2,550	331
Non-deductible expenses and adjustment for income tax	1,393	1,033
Unrecognized benefit of non-capital loss carryforwards	9,831	-
Future income tax recovery	$ -	$ -

Subject to certain conditions being met, the Company has available for deduction against future taxable income non-capital losses in Australia of approximately $671,400 and in Canada of approximately $40,000. The Australian non-capital losses do not expire. The Canadian non-capital losses expire in 2010.

The potential income tax benefits of the non-capital losses have been offset by a valuation allowance.

The significant components of the Company's future income tax assets and liabilities in each of Australia and Canada are as follows:

	Australia		Canada	
	2003	2002	2003	2002
Future income tax assets:				
Non-capital loss carryforwards	$ 201,420	$ -	$ 14,253	$ -
Share issuance costs	-	-	14,938	-
Other	21,693	948	-	-
	223,113	948	29,191	-
Less: Valuation allowance	(41,936)	(948)	(29,191)	-
	181,177	-	-	-
Future income tax liabilities:				
Mineral properties	(181,177)	-	-	-
Net future income tax assets	$ -	$ -	$ -	$ -

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the year ended December 31, 2003 included:

a) Asmam issuing 500,000 ordinary shares upon the acquisition of the Mungana project (Note 4).
b) The Company issuing 5,000,000 common shares upon the acquisition of Asmam (Note 3).
c) The Company issuing 300,000 broker's compensation options pursuant to a private placement (Note 5).

There were no significant non-cash transactions for the year ended December 31, 2002.

10. SEGMENTED INFORMATION

The Company operates in Australia in one business segment being the acquisition and exploration of mineral properties.

11. SUBSEQUENT EVENTS

The following events occurred subsequent to year end:

a) On January 30, 2004, the Company changed its name to Queensland Minerals Ltd., continued under the Business Corporations Act of the Yukon Territory and increased its authorized share capital from 100,000,000 common shares to an unlimited number of common shares with no par value.

b) On April 14, 2004, the Company:

   i) issued 200,000 common shares at $0.24 per share pursuant to a private placement to raise gross proceeds of $48,000;
   ii) issued 40,000 common shares at $0.24 per share pursuant to a private placement to raise gross proceeds of $9,600; and
   iii) continued under the Business Corporations Act of British Columbia.

c) On April 15, 2004, the Company issued 13,453 common shares at a value of $4,036 as consideration for geological services rendered.

d) On April 30, 2004, Asmam entered into a management and service agreement with an officer and director of the Company and a company controlled by that individual. Under the terms of the agreement, the Company will pay annual remuneration of, initially, A$120,000 plus fees for the provision of administrative and related services. In certain circumstances in the event of termination of the agreement, the Company may be required to pay severance in an amount equal to three times the annual remuneration in effect at the date of termination.

11. SUBSEQUENT EVENTS (cont'd…)

e) On May 25, 2004, the Company's board of directors approved a "rolling" stock option plan, whereby the Company is authorized to grant stock options to qualified directors, officers, employees and other service providers enabling them to acquire up to 10% of the issued and outstanding common shares of the Company at any given time. Under the plan, the exercise price of each option will not be less than the closing market price of the Company's shares on the date prior to the date of the grant, less allowable discounts. The options can be granted for a maximum term of five years if the Company is listed as a Tier 2 issuer on the TSX Venture Exchange (the "TSX-V") and ten years if the Company is listed as a Tier 1 issuer on the TSX-V. The plan is subject to the approval of the Company's shareholders and regulatory authorities.

Also on May 25, 2004, the Company's board of directors approved 1,479,300 stock options pursuant to the terms of the stock option plan, subject to regulatory approval and completion of the Company's proposed initial public offering. Each stock option will be exercisable at a price of $0.30 per share for a period of five years from the date of listing of the Company's common shares on the TSX-V.

f) On May 29, 2004, the Company's board of directors approved the filing of a preliminary prospectus for an initial public offering (the "Offering") of 6,000,000 common shares of the Company at a price of $0.30 per share to raise gross proceeds of $1,800,000, and approved an application for the listing of the Company's common shares on the TSX-V.

Pursuant to the terms of an engagement letter dated May 12, 2004, and subject to the execution of an agency agreement, First Associates Investments Inc. (the "Agent") has agreed to act as agent for the offering. Under the terms of the engagement letter, the Agent will receive a cash commission equal to 7% of the gross proceeds of the Offering, and will be granted non-transferable share purchase warrants (the "Agent's Warrants") to acquire that number of common shares which is equal to 15% of the number of shares sold pursuant to the Offering. Each Agent's Warrant will be exercisable at a price of $0.30 per share for a period of 18 months from closing of the Offering. In addition, the Company will pay the Agent a corporate finance fee in the amount of $30,000 (of which $10,000 has been paid at December 31, 2003) and pay all reasonable expenses of the Agent (of which the Company has paid an expense deposit of $13,000). It is expected that the Agent will be granted a greenshoe option whereby the Agent may acquire up to an additional 20% of the number of common shares sold pursuant to the Offering for a period of 60 days after closing of the Offering.

The Company intends to file a prospectus relating to the Offering with the securities regulatory authorities in British Columbia, Alberta and Ontario. It is intended that the prospectus will also qualify the distribution of the shares issued on exercise of the special warrants and agent's warrants underlying the agent's options issued pursuant to the Company's private placement completed on October 22, 2003 (Note 5).

The Offering and the listing of the Company's common shares on the TSX-V are subject to due diligence and regulatory and other approvals.

CERTIFICATES

Certificate of the Issuer

Dated: May 29, 2004

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta); by Part 9 of the *Securities Act* (British Columbia); and Part XV of the *Securities Act* (Ontario) and all of the respective applicable regulations thereunder.

"Al S. Marton"	*"Craig D. Thomas"*
AL S. MARTON	**CRAIG D. THOMAS**
President	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"David Fennell"	*"Alf Paton"*
DAVID FENNELL	**ALF PATON**
Director	Director

Certificate of the Promoters

Dated: May 29, 2004

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta); by Part 9 of the *Securities Act* (British Columbia); and Part XV of the *Securities Act* (Ontario) and all of the respective applicable regulations thereunder.

"Al S. Marton"	*"Craig D. Thomas"*
AL S. MARTON	**CRAIG D. THOMAS**

<u>Certificate of the Agent</u>

Dated: May 29, 2004

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta); by Part 9 of the *Securities Act* (British Columbia); and by Part XV of the *Securities Act* (Ontario) and all of the respective applicable regulations thereunder.

FIRST ASSOCIATES INVESTMENTS INC.

Per: *"Edward Reisner"*
Edward Reisner, Vice President and Sales Manager