Rules 4.2A.3

Appendix 4D

Half Year Report

Name of entity

Queensland Ores Limited

ABN or equivalent company Reference	Half yearly *(tick)*	Half year ended ('current period')
35 108 146 694	√	**31 December 2006** (Comparative period – 31 December 2005)

2. Results for announcement to the market

$A'000

	31-Dec-2006 $A'000	31-Dec-2005 $A'000	Increase/ (Decrease) $A'000	%
2.1 Income	**40**	**69**	**(29)**	**(42%)**
Profit (loss) for the period	**(644)**	**(219)**	**(425)**	**(194%)**
Profit (loss) attributable to minority interest	-	-	-	-
2.2 &2.3 Profit (loss) attributable to members of the parent	**(644)**	**(219)**	**(425)**	**(194%)**
2.4 Amount of interim dividend/Final Dividend	No Dividend has been proposed			
+Record date for determining entitlements to the dividend,	N/A			

2.5 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.

Refer to the Directors report in the Financial Report for the Half-Year ended 31 December 2006

This half yearly report is to be read in conjunction with the most recent annual financial report.

NTA backing

	Current Period	Previous corresponding Period
3 Net tangible asset backing per + ordinary security	**(0.012)**	**(0.005)**

Control gained of lost over entities having material effect

4.1 Name of entity (or group of entities)	None

Dividends

5.1 Date the dividend (distribution) is payable	N/A
5.2 Details of individual and total dividends or distributions and dividend or distribution payments	N/A

6. The + dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans	N/A

7. Details of Associates / Joint Venture Holding N/A

8. Foreign Entities – accounting standards used to prepare report N/A

9. Entities subject to review / audit dispute N/A

Interim Financial Report for the Half-Year Ended 31 December 2006

Contents

Company details

The name of the company secretary is Mr Peter Birch.

The registered and principal place of business of the company is:

Level 3
201 Leichhardt Street
SPRING HILL QLD 4000
Ph 07 3230 2000
Fax 07 3831 7663

The Registry of securities is held at the following address:
Registries Limited,
Level 2, 28 Margaret Street,
Sydney NSW 2000
New South Wales

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

DIRECTORS' REPORT

Your directors submit the financial report of Queensland Ores Limited and its controlled entities (the economic entity) for the half-year ended 31 December 2006.

DIRECTORS

The names of the directors in office during the year and until the date of this report are:

Mr Roger Marshall	Non-Executive Chairman
Mr David Howie Blair	Non-Executive Director
Mr Kenneth Howard Dredge	Non-Executive Director

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

Wolfram Camp

The company's main priority has remained at Wolfram Camp, 90 kms west of Cairns in North Queensland, where production is planned to commence in the last quarter of 2007.

In terms of the Mining Lease applications, negotiations continued with the EPA regarding the environmental issues inherited from the previous mining activities with similar progress being made for the finalisation of the Native Title aspects of the application.

Excellent progress was also made with the design and procurement activities for the treatment plant with orders placed for most of the major items of plant. Ongoing testwork, being run in parallel with design, has resulted in a simplified flowsheet for the plant. This is expected to lead to a reduction in both capital expenditure and subsequent operating costs.

Discussions and negotiations on offtake agreements also took place with a significant level of interest shown by a number of trading companies in the market.

Mount Cannindah

Drilling has continued at the well defined copper-gold mineralisation resource, within the company's 100% held Mount Cannindah Mine. The drilling programme is in addition to the previous drilling programmes completed by Mount Isa Mines Ltd and Newcrest Mining.

Satisfactory progress has also been made in working towards completing a Bankable Feasibility Study in the third quarter of 2007. Work commenced on the metallurgical testwork and a preliminary site layout. As soon as the Bankable Feasibility study for that project is completed, the company intends to commence work in the Mount Cannindah tenements.

DIRECTORS' REPORT

Bamford Hill

The Bamford Hill EPM is located 35km to the south-west of Wolfram Camp and covers numerous former workings for a range of minerals including tungsten, molybdenum and tin. The area has potential for intrusive-related gold mineralisation and preliminary exploration assessing this potential is being considered.

Triple Crown

The small gold resource defined at Triple Crown requires additional drilling before any development could be considered.

Funding

On 20 December 2006, the Directors announced a placement to Talbot Group Holdings Pty Ltd ATF Talbot Equities Trust (TGH) of 7,700,000 fully paid ordinary shares at 35 cents per share raising $2,695,000. After the placement TGH held approximately 15% of the company.

The funds raised were mainly directed to fast track plant and infrastructure at Wolfram Camp.

Subsequent Events

In January 2007, the 9,916,832 outstanding options with an exercise price of 30 cents expired. The funds raised totalled $2,865,000 less costs with the listed options fully underwritten by Far East Capital Limited.

In March 2007, the company was pleased to announce a fully underwritten renounceable rights issue to existing shareholders of for every four (4) fully paid ordinary shares held, two (2) fully paid ordinary shares ordinary shares at 35 cents each plus one (1) free option excisable up until 30 November 2008 for an option exercise price of 35 cents per option exercised.

The company was also pleased to announce a placement of 35,000,000 fully paid ordinary shares with the addition of one free option exercisable by 30 November 2008 at an exercise price of 35 cents. This placement is to be ratified at a Special General Meeting scheduled for 16 April 2007.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2006.

Signed in accordance with a resolution of the directors:

Roger Marshall OBE
Chairman

13 March 2007

Chartered Accountants
Business Advisers and Consultants

Grant Thornton

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF QUEENSLAND ORES LIMITED AND ITS CONTROLLED ENTITIES

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Queensland Ores Limited for the half-year ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

A G RIGELE
Partner

Sydney 13 March 2007

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CONSOLIDATED INCOME STATEMENT
For the half-year ended 31 December 2006

	Economic Entity 31 Dec 2006 $	Economic Entity 31 Dec 2005 $
Interest received	39,809	69,017
Finance costs	(17,527)	-
Depreciation and amortisation expense	(17,407)	(2,543)
Employee benefits expense	(354,884)	(111,978)
Marketing expenses	(36,674)	(22,801)
Administration expenses	(257,277)	(151,153)
Loss before income tax expense	**(643,960)**	**(219,458)**
Income tax expense	-	-
Net Loss after income tax expense attributable to members of the parent entity	**(643,960)**	**(219,458)**
Basic earnings per share (cents per share)	(0.012)	(0.005)
Diluted earnings per share (cents per share)	(0.012)	(0.005)

The Financial Statements should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
As at 31 December 2006

	Economic Entity 31 Dec 2006 $	Economic Entity 30 June 2006 $
CURRENT ASSETS		
Cash and cash equivalents	2,746,590	3,223,021
Trade and other receivables	217,537	79,044
Other current assets	69,266	56,679
TOTAL CURRENT ASSETS	**3,033,393**	**3,358,744**
NON-CURRENT ASSETS		
Property, plant & equipment	706,817	125,589
Exploration and evaluation assets	5,721,632	3,515,561
Other assets	44,035	41,949
TOTAL NON-CURRENT ASSETS	**6,472,484**	**3,683,099**
TOTAL ASSETS	**9,505,877**	**7,041,843**
CURRENT LIABILITIES		
Trade and other payables	810,248	423,892
Short term provisions	55,494	52,856
TOTAL CURRENT LIABILITIES	**865,742**	**476,748**
TOTAL LIABILITIES	**865,742**	**476,748**
NET ASSETS	**8,640,135**	**6,565,095**
EQUITY		
Issued Capital	10,619,703	7,900,703
Reserves	40,500	40,500
Accumulated losses	(2,020,068)	(1,376,108)
TOTAL EQUITY	**8,640,135**	**6,565,095**

The Financial Statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2006

	Ordinary Shares $	Accumulated Losses $	Option Reserve $	Total $
Balance 1 July 2005	**7,071,785**	**(885,515)**	**40,500**	**6,226,770**
Profit attributable to members of parent entity	-	(219,458)	-	(219,458)
Total recognised income and expense for the period	-	(219,458)	-	(219,458)
Balance at 31 December 2005	**7,071,785**	**(1,104,973)**	**40,500**	**6,007,312**
Balance 1 July 2006	**7,900,703**	**(1,376,108)**	**40,500**	**6,565,095**
Profit attributable to members of parent entity	-	(643,960)	-	(643,960)
Total recognised income and expense for the period	-	(643,960)	-	(643,960)
Shares issued during the year	2,719,000	-	-	2,719,000
Balance at 31 December 2006	**10,619,703**	**(2,020,068)**	**40,500**	**8,640,135**

The Financial Statements should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
For the half-year ended 31 December 2006

	Economic Entity 31 Dec 2006 $	Economic Entity 31 Dec 2005 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	39,809	69,017
Interest Paid	(17,527)	
Payments to suppliers and employees	(2,619,076)	(1,491,690)
Net cash used in operating activities	**(2,596,794)**	**(1,422,673)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant & equipment	(598,637)	(76,758)
Net cash used in investing activities	**(598,637)**	**(76,758)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issues	2,719,000	-
Net cash provided by financing activities	**2,719,000**	**-**
Net decrease in cash held	(476,431)	(1,499,431)
Cash at 1 July	3,223,021	4,764,610
Cash at 31 December	**2,746,590**	**3,265,179**

The Financial Statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Queensland Ores Limited ("The Company") is a company domiciled in Australia. The half-year consolidated financial statements are a general purpose financial report that has been prepared in accordance with AASB 134: Interim Financial Reporting and the *Corporations Act 2001.*

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by Queensland Ores Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-accrual assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

These financial statements and notes have been approved, by the Board of Directors for release on 13 March 2007.

Significant Accounting Policies

The accounting policies applied by the consolidated entity in this half year consolidated report are the same as those applied by the consolidated entity in its consolidated report as at and for the year ended 30 June 2006.

(a) **Exploration and Evaluation**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Costs incurred prior to the grant of a mining lease of an area of interest are carried forward as exploration and evaluation expenditure.

General, administration and employees costs relating directly to exploration and evaluation are capitalised in the period they are incurred. A regular review is undertaken of each area of interest. At such regular review the general, administration and employee costs arising during the early stages of the project are written off when deemed inappropriate to continue to be carried forward.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in full against profit in the financial period the decision is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(b) **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2006

NOTE 2: CONTINGENT LIABILITIES AND COMMITMENTS

The economic entity has certain commitments imposed by the Queensland Department of Natural Resources and Mines to perform minimum exploration work on the tenements. These obligations, which may be varied from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations of the Company. The minimum expenditure as set out by the Queensland Department of Natural Resources Energy and Mines and pursuant to various agreements (including farm-in agreements) for the forthcoming year amount to $861,500. Additionally, the economic entity has liabilities for capital commitments required for the completion of the Wolfram Camp Project plant and associated infrastructure of $1,507,733.

Commitments Payable	Rent	Mining	Capital	Total
	$	$		$
Not later than 1 year	50,853	861,500	1,507,733	2,420,086
Less than 1 year but no later than 5 years	110,952	2,190,756	-	2,301,708
	161,805	**3,052,256**	**1,507,733**	**4,721,794**

Native Title Claims
Various tenements held by the Company are not subject to Native Title. However, certain tenements may be subject to Native Title and the Company is in the process of assessing the likely affect, if any, of any potential claims on the Company. The Directors of the Company expect that existing operations will not be materially affected by any potential claims.

NOTE 3: SEGMENT INFORMATION

The Company's sole activities are exploration and evaluation. The Company operates solely in Australia.

NOTE 4: POST BALANCE DATE EVENTS

Subsequent to 31 December 2006 the company has continued project development work at Wolfram Camp with the intention of further developing the project with production scheduled to commence in the last quarter of 2007.

In January 2007, the 9,916,832 unexercised options with an exercise price of 30 cents expired. The funds raised totalled $2,865,000 less costs with the listed options fully underwritten by Far East Capital Limited.

In March 2007, the company was pleased to announce a fully underwritten renounceable rights issue to existing shareholders of for every four (4) fully paid ordinary shares held, two (2) fully paid ordinary shares ordinary shares at 35 cents each plus one (1) free option excisable up until 30 November 2008 for an option exercise price of 35 cents per option exercised.

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2006

NOTE 4: POST BALANCE DATE EVENTS (cont)

The company was also pleased to announce a placement of 35,000,000 fully paid ordinary shares with the addition of one free option exercisable by 30 November 2008 at an exercise price of 35 cents. This placement is to be ratified at a Special General Meeting scheduled for 16 April 2007.

No other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 13:

   (a) comply with Accounting Standard AASB134 Interim Financial reporting and Corporations Regulations; and

   (b) give a true and fair view of the economic entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date.

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they are due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Roger Marshall OBE
Chairman

13 March 2007

Grant Thornton

Chartered Accountants
Business Advisers and Consultants

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QUEENSLAND ORES LIMITED AND ITS CONTROLLED ENTITIES

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Queensland Ores Limited (the Company) and the entities it controlled (the consolidated entity), which comprises the balance sheet as at 31 December 2006, the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both Queensland Ores Limited (the Company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Queensland Ores Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QUEENSLAND ORES LIMITED AND ITS CONTROLLED ENTITIES (cont)

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Queensland Ores Limited is not in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

ANDREW RIGELE
Partner

Sydney

13 March 2007