

QUEENSLAND ORES LIMITED
ACN 108 146 694

NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

Date of Meeting: 16 April 2007
Time of Meeting: 11.00 a.m. (Brisbane time)
Place of Meeting: Hopgood Ganim Lawyers
Level 7, Waterfront Place, 1 Eagle Street, Brisbane

This Notice of Extraordinary General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of shareholders of **QUEENSLAND ORES LIMITED ABN 108 146 694 (Company)** will be held at the offices of Hopgood Ganim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on 16 April 2007 at 11.00 a.m. (Brisbane time).

AGENDA

SPECIAL BUSINESS

1. RATIFY THE ISSUE OF SHARES UNDER PREVIOUS PLACEMENT

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution of the Company:

*"That in accordance with the provisions of Listing Rule 7.4 of the ASX Listing Rules, and for all other purposes, the shareholders ratify the previous issue of seven million, seven hundred thousand (7,700,000) fully paid ordinary shares in the Company (**Previous Shares**) on 20 December 2006 for a total consideration of two million, six hundred and ninety-five thousand dollars (\$2,695,000) (representing an issue price of thirty-five cents (\$0.35) per Previous Share) to Talbot Group Holdings Pty Ltd ACN 010 949 630 (**Talbot Group Holdings**)."*

- *The rights attaching to the Previous Shares are identical in all respects to the existing ordinary shares on issue in the Company.*
- *The funds raised by the issue of the Previous Shares were used by the Company to fast track the plant and associated infrastructure development at the Company's tenement at Wolfram Camp.*
- *The Company will disregard any votes cast on this Resolution by:*
 - *Talbot Group Holdings; and*
 - *any associates of Talbot Group Holdings.*
- *However, the Company need not disregard a vote if:*
 - *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
 - *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

2. AUTHORISE THE ISSUE OF SHARES

To consider and, if thought fit, pass the following resolution, with or without amendment, as an ordinary resolution of the Company:

*"That in accordance with the provisions of Listing Rule 7.1 of the ASX Listing Rules, and for all other purposes, the Company is authorised to issue up to 35,000,000 fully paid ordinary shares in the Company (**Placement Shares**) at an issue price per Placement Share of 35 cents per share, along with one (1) attaching option for every two (2) Placement Shares (**Attaching Option**), to various applicants under a prospectus issued by the Company on 15 March 2007."*

- *The Company intends to issue the Placement Shares and Attaching Options as soon as practicable after the Meeting and in any event no later than three (3) months from the date of the Meeting.*
- *The Placement Shares and Attaching Options will not be issued to any related party of the Company (within the meaning of the ASX Listing Rules);*
- *The rights attaching to the Placement Shares are identical in all respects to the existing ordinary shares on issue in the Company;*
- *The terms of the Attaching Options are set out in more detail in the Explanatory Memorandum;*
- *The funds raised by the issue will be used by the Company to develop its Wolfram Camp tungsten and molybdenum project in North Queensland and to provide working capital to the Company;*
- *The Company will disregard any votes cast on this Resolution by:*
 - *Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and*
 - *any associate of such a person.*
- *However, the Company need not disregard a vote if:*
 - *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
 - *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'PBul', written in a cursive style.

Peter Birch
Company Secretary
15 March 2007

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum is provided to shareholders of **QUEENSLAND ORES LIMITED ABN 108 146 694 (Company)** to explain the Resolutions to be put to shareholders at the Extraordinary General Meeting to be held at the offices of Hopgood Ganim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on 16 April 2007 at 11.00 a.m. (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

2. RESOLUTION 1 – RATIFY THE ISSUE OF SHARES UNDER PREVIOUS PLACEMENT

ASX Listing Rule 7.1 generally prohibits a listed company from issuing or agreeing to issue more securities than the number calculated in accordance with a formula set out in that ASX Listing Rule. The formula effectively prohibits issues of equity securities (including shares and options to subscribe for shares) exceeding 15% of the number of issued ordinary shares in the company in any twelve (12) month period (**the 15% Limit**) unless prior shareholder approval is obtained.

Where a company has issued securities without shareholder approval but within the 15% Limit, that company, under ASX Listing Rule 7.4, is able to seek the ratification of that issue to ensure that the 15% Limit is not reduced by that previous issue.

Accordingly, pursuant to Resolution 1, shareholder approval is sought to ratify the previous issue of a total of seven million, seven hundred thousand (7,700,000) ordinary fully paid shares in the capital of the Company on 20 December 2006 to Talbot Group Holdings Pty Ltd ACN 010 949 630.

3. RESOLUTION 2 – AUTHORISE THE ISSUE OF SHARES

In order to fall within the 15% Limit in ASX Listing Rule 7.1 (as detailed above in relation to Resolution 1), Resolution 2 seeks shareholder authorisation to issue up to 35,000,000 ordinary fully paid shares in the capital of the Company (**Placement Shares**) at an issue price per Placement Share of 35 cents, along with one (1) attaching option for every two (2) Placement Shares (**Attaching Options**), to applicants under a prospectus issued by the Company dated 15 March 2007.

The following is a summary of the material terms of the Attaching Options:

- The Attaching Options shall be issued for no consideration;
- The exercise price of each Attaching Option is thirty five cents (\$.35) (**Exercise Price**);
- The Attaching Options will expire on 30 November 2008 (**Expiry Date**) unless earlier exercised;
- The Attaching Options will (subject to ASX quotation) be transferable in whole or in part;
- The Attaching Options may be exercised at any time in whole or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise

Price per Attaching Option to QOL at any time on or after the date of issue of the Attaching Options and on or before the Expiry Date;

- The number of Attaching Options that may be exercised at one time must be not less than 500;
- Upon the valid exercise of the Attaching Options and payment of the Exercise Price, QOL will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
- While the Attaching Option holders do not have any right to participate in new issues of securities in the Company to shareholders generally on prior exercise of the Attaching Options, the Attaching Option holders will be afforded the period of at least seven (7) business days' notice prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the Attaching Options;
- Attaching Options do not participate in any dividends unless the Attaching Options are exercised and the resultant shares of QOL are issued prior to the record date to determine entitlements to the dividend;
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of QOL:
 - (a) the number of Attaching Options, the Exercise Price of the Attaching Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Attaching Options which are not conferred on shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Attaching Options will remain unchanged;
- If there is a pro rata issue (except a bonus issue), the Exercise Price of an Attaching Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Attaching Option;
- O = the old exercise price of the Attaching Option;
- E = the number of underlying securities into which one Attaching Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be

held to receive a right to one new security.

- If there is a bonus issue to the holders of shares in QOL, the number of shares over which the Attaching Option is exercisable may be increased by the number of shares which the Attaching Option holder would have received if the Attaching Option had been exercised before the record date for the bonus issue;
- The terms of the Attaching Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in QOL approve of such a change. However, the terms of the Attaching Options shall not be changed to reduce the Exercise Price, increase the number of Attaching Options or change any period for exercise of the Attaching Options; and
- QOL intends to apply for listing of the Attaching Options on the ASX; and
- QOL shall apply for listing of the resultant shares of QOL issued upon exercise of any Attaching Option.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Peter Birch (Company Secretary):

Address: Level 3, 201 Leichardt Street, Spring Hill, Queensland

Telephone: 07 3230 2000

PROXY, REPRESENTATIVE AND VOTING ENTITLEMENT INSTRUCTIONS

PROXIES AND REPRESENTATIVES

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001 (Cwlth)*.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Share Registry, Level 2, 28 Margaret Street, Sydney, NSW 2000** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

QUEENSLAND ORES LIMITED

Level 3, 201 Leichardt Street
Spring Hill Queensland 4000
Telephone: 07 3230 2000
Facsimile: 07 3831 7663

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on 14 April 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SIGNING INSTRUCTIONS

You must sign the proxy form as follows in the spaces provided:

- | | |
|--------------------|---|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

PROXY FORM

I/We _____
of _____

being shareholder(s) of **QUEENSLAND ORES LIMITED ACN 108 146 694 (Company)**

hereby appoint _____ Of _____

of failing him/her _____ Of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at the offices of Hopgood Ganim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane, Queensland on 16 April 2007 at 11.00 am. (Brisbane time) and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If the Chairman is appointed as your proxy, or may be appointed by default, and if you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

The Chairman advises that it is his intention to vote in favour of all resolutions in respect of any undirected proxies which may be granted in favour of the Chairman

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is%. (Note: an additional proxy form will be supplied by the Company on request).

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares. (Note: the proxy will be over all shares if left blank).

I/we direct my/our proxy to vote as indicated below:

RESOLUTION	For	Against	Abstain
1. Ratify the Issue of Shares under Previous Placement	☐	☐	☐
2. Authorise the Issue of Shares	☐	☐	☐

EXECUTION

This section *must* be signed in accordance with the instructions above to enable your directions to be implemented.

Individual or Security holder 1

Sole Director and
Sole Company Secretary

Security holder 2

Director

Security holder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date