

QUEENSLAND MINERALS LTD.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2008**

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Queensland Minerals Ltd. (the "Company" or "QML"), dated November 27, 2008, covers the 3rd quarter ended September 30, 2008 and should be read in conjunction with the unaudited consolidated financial statements and related notes for the three-month period ended September 30, 2008 (the "September 30, 2008 consolidated financial statements"). Readers should also refer to the Company's MD&A for the year ended December 31, 2007 and the audited consolidated financial statements for the years ended December 31, 2007 and 2006.

The September 30, 2008 consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") following the same accounting policies and methods of computations as the consolidated financial statements for the years ended December 31, 2007 and 2006, except for the adoption of new disclosure standards on Capital and Financial Instruments, as more fully described in the section entitled Changes in Accounting Policies.

All financial results are expressed in Canadian dollars unless otherwise indicated.

BUSINESS OVERVIEW

The Company is engaged in the business of mineral exploration in Queensland, Australia through its wholly-owned subsidiaries, Queensland Minerals (Australia) Pty Ltd. ("QMA") and Asmam Pty Ltd. ("Asmam"). Its objective is to discover and develop mineral properties of merit. The Company has not yet determined whether its properties contain mineral resources or mineral reserves. To this date, the Company has not generated any revenues from operations.

The Company has limited financial resources and the current economic environment has made access to capital increasingly difficult. Due to this situation and the upcoming wet season, field activities have now been halted at all of the Company's exploration projects. The Company's technical personnel is presently analyzing all data collected during the last field season. In the event that additional funds are not made available to the Company when the next field season commences, the Company may need to put its exploration projects on care and maintenance. The Company is evaluating different financing options which may include the issuance of securities and partnership or joint venture arrangements. There can be no assurance that additional funds will be available or available on terms acceptable to the Company (see "*Liquidities and Capital Resources*" below).

Exploration Activities

The Company incurred total exploration costs of \$1,055,423 during the 3rd quarter ended September 30, 2008, compared to \$1,477,756 during the corresponding period in 2007. Of the total exploration expenditures incurred during the current quarter, \$702,463 was spent on the Mungana Project, \$240,716 was spent at Anastasia on the Lynd River Project and \$112,244 on the Sybil Graben Project. Of the total amount spent, \$267,034 was for drilling and assaying, \$184,554 for salaries and \$367,017 for field supplies, vehicle and base operating costs.

Mungana - Dingo Peak Prospect

Significant progress has been made during the quarter at the Company's 100% owned Dingo Peak prospect in Northeastern Queensland. A recent IP geophysical and magnetics survey over the Dingo Peak prospect has defined a 2km long alteration zone associated with a strongly mineralized porphyry system that has only been marginally tested by previous QML drilling. Geochemical surveys over the exposed southern part of the new zone show a classic porphyry style pattern of distal Pb-Zn anomalies surrounding proximal Cu-Au anomalism.

This new Cu-Au porphyry discovery located near Chillagoe is in a structurally controlled 150 km long porphyry belt enclosed by the Palmerville fault system. Thirty-five kilometers from the Dingo Peak prospect, Kagara Ltd. is developing a concentrator to treat Cu-Au porphyry stockwork and polymetallic skarn mineralization.

At Dingo Peak, altered rhyolite porphyry bodies intrude a host package of Proterozoic gneisses within a structural corridor producing an outcropping mineralizing system exhibiting an inner ring of elevated gold and copper geochemistry with distal Pb-Zn, and marginal sheeted quartz veins overprinting milled breccias.

During September, the Company undertook a 7.2 line km 3D IP geophysical and magnetic survey with the objective of defining the depth parameters and limits to the porphyry system. The magnetic data shows the main IP anomalism is coincident with low magnetic character suggesting magnetite destruction by hydrothermal fluids.

Results from the 3D IP are highly encouraging due to the clear definition of a mostly intact porphyry system defined as a chargeable, conductive and weakly magnetic body extending from a depth of 75 to 150m at the south end and dipping northwards over two kilometers beneath the Quartz Needle breccia body. This substantial central zone target represents propylitic to phyllic alteration that remains almost completely untested. Previous drilling (news release of July 15, 2008 included core drill assays from hole DHDD07 of 52 meters at 0.66 g/t Au with 0.6% Cu from 101m) focused on outcropping breccia zones lying above or peripheral to it. The identified prospective zone remains open to the east at depth.

Final results from the May 2008 diamond drilling on the north peak breccias in holes DHDD06-6A and 08 failed to intersect the strongly mineralized milled breccias cut by intervening holes DHDD05 and 07. DHDD08 targeted the northerly trending breccias at depth but missed them altogether suggesting they plunge off section and would be better tested by E-W drilling.

The Company plans to complete a comprehensive interpretation of the whole system and to prepare a program of RC and deeper diamond drilling to evaluate the system at shallow to moderate depths. The Company is looking at different alternatives to fund this drilling program. It is likely that further detailed geophysics will be required to fully outline extensions of the prospective intrusive alteration targets indicated by both magnetics and IP surveys.

Mungana Porphyry Project

There are two targets within this project: Mungana Porphyry and Barkers Lease. In August 2008, a 200 hole airtrack percussion drill program totaling 2,009 meters was completed over the two targets. At Mungana Porphyry, the drill program entailed 155 holes for a total of 1,354 meters of drilling. The remaining 655 metres of drilling tested various vein sets on the Mungana tenement to the south around the Barkers Lease area. Holes were short averaging 8 meter depth. The use of the airtrack drill was as a substitute to trenching since its use was faster and more cost effective than mechanical trenching or hand channel sampling. In addition, a 2km x 1km epithermal quartz vein system has been the subject of detailed geochemical sampling. Initial geological reconnaissance was followed by a Niton XRF soil sampling grid and rock chip geochemical sampling to establish the parameters of the system for drilling.

Drilling results from Mungana Porphyry mirror the rock chip geochemistry with fifteen holes intersecting grades greater than 0.5g/t Au. The presence of higher grade gold and silver assays from a number of contiguous drillholes in four separate prospective vein systems could be tested with further drilling to depth.

Based on the results of the airtrack drilling and channel sampling of trenches on the Barkers Lease prospect, the Company decided that no further work was warranted and the Company notified the owner of the lease of its decision to terminate the option agreement.

Lynd Anastasia

From July 2007 to May 2008, a 36 hole diamond drilling program totaling 8,029 metres was drilled at the Anastasia prospect. The drilling evaluated the strike and depth extensions of the breccia and stockwork veined metasediments to a depth of 200 meters in this gold-polymetallic high-sulphidation deposit. Results have been published in news releases. A recent technical review of the system confirmed it is open at depth and possibly along strike under volcanic cover. No work is currently planned in the short term on the Anastasia. The Company is looking at different alternatives to fund additional work on Anastasia.

Reedy Creek - Sulphide Cap and Firegrass Creek

Previously reported drilling at the Sulphide Cap and Firegrass Creek prospects provided sufficient encouragement to explore for new resource targets. Basement structures close to the Scardons caldera margins and blind epithermal deposits underlying the younger volcanics were targeted. Following GIS compilation of drainage geochemical data in the Sulphide Cap district, fieldwork located prospective E to ESE trending vein structures and quartz blows. Assay results are awaited.

Sybil Graben - Francis Creek Prospect

The Company commissioned a geological review of the Francis Creek epithermal project by a consultant in June 2008. The review was aimed at defining geological and mineralogical parameters that can be used to locate significant new mineralization in the district. The resultant report showed that higher grade gold values are associated with milky, crustiform-colloform banded, chalcedony and adularia veins with more or less grey sulphidic smokey quartz. The most promising areas within the Francis Creek vein system correspond to the area where the best results were previously obtained in channel samples.

In September 2008, other vein systems were evaluated with the resulting identification of epithermal vein systems at Francis Creek South, Francis Creek East, Francis Dam, Burdekin, and Blue Range. These veins were also considered to have enhanced lode potential. If funds become available, the Company would like to follow up with an airtrack drilling program to evaluate these key targets to shallow depths, and determine whether further high-grade shoots can be located.

Qualified Person

The above technical information was reviewed by Mr. Adrian Fleming, President of the Company, a qualified person under the National Instrument 43-101 regulation.

Private placement – September and October 2008

On September 5, 2008, the Company completed the first tranche of a non-brokered private placement with the second tranche completed on October 10, 2008. As part of this financing, the Company issued a total of 9,517,500 units at a price of \$0.20 per unit, for total proceeds of \$1,903,500. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.40 per share until March 5, 2010.

Asset-backed commercial paper (“ABCP”)

At September 30, 2008, the Company held \$8.95 million of non-bank sponsored ABCP (before accounting for an impairment charge). In mid-August 2007, the Canadian third-party ABCP market was hit by a liquidity disruption. Since that time, no transactions within an active market have been entered into involving the ABCP securities held by the Company. On August 16, 2007, a group representing banks, asset providers and major investors agreed, pursuant to the Montreal Accord, to a standstill period in respect of ABCP sold by 23 conduit issuers. A Pan-Canadian Investors Committee (the “Committee”) was subsequently established to oversee the proposed restructuring process. On March 20, 2008, the Committee released its proposed restructuring plan through an Information Statement in respect of a Plan of Compromise and Arrangement (the “Plan”), pursuant to the Companies Creditors Arrangement Act (“CCAA”). A meeting of the noteholders to vote on the Plan was held

on April 25, 2008 and noteholders approved the Plan. Justice Campbell, presiding the restructuring under the CCAA, approved the Plan on June 5, 2008. Following various appeals to Justice Campbell's decision, the appeals court of Ontario confirmed on August 18, 2008, that the Plan was fair and reasonable in all circumstances and on September 19, 2008, the Supreme Court of Canada released a decision denying leave to appeal from the decision of the Ontario Court of Appeal.

At September 30, 2008, the Company estimated the fair value of the ABCP it holds and applied an additional impairment charge of \$508,000. The total impairment charge on the Company's ABCP now totals \$2,933,000. Additional information on the terms of the Plan and the Company's estimation of fair value are included in note 3 to the September 30, 2008 consolidated financial statements.

CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the Company's consolidated financial statements and related notes.

			September 30, 2008	December 31, 2007
			\$	\$
Balance Sheet				
Cash			-	391,969
Asset-backed commercial paper			5,985,117	6,493,117
Deferred exploration expenses			8,659,981	4,305,146
Bank loan			5,491,341	2,313,730
Total assets			15,098,081	11,689,621
Shareholders' equity			8,852,266	8,532,190
	3rd Quarter ended Sept 30, 2008	3rd Quarter ended Sept 30, 2007	Nine-months ended Sept 30, 2008	Nine-months ended Sept 30, 2007
	\$	\$	\$	\$
Operations				
Administration expenses	245,400	284,714	985,082	1,344,406
Interest income	(1,956)	(35,845)	(6,904)	(181,637)
Interest expense	46,572	409	115,043	409
Impairment charge on ABCP	508,000	1,346,952	508,000	1,346,952
Loss on foreign exchange	(337,766)	12,813	(3,433)	18,269
Net loss	(460,250)	(1,609,043)	(1,597,788)	(2,528,399)
Basic and diluted loss per share	(0.01)	(0.04)	(0.04)	(0.07)
Cash flows				
Operating activities	(312,817)	(149,954)	(823,031)	(410,909)
Investing activities	(892,226)	(10,048,465)	(4,700,406)	(10,508,555)
Financing activities	938,469	340,255	4,926,567	10,920,779

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

Results of Operations

For the three-month period ended September 30, 2008, the Company incurred a loss of \$460,250 (\$0.01 per share) compared to a loss of \$1,609,043 (\$0.04 per share) in 2007. The results for the three-month period ended September 30, 2008 includes lower administration costs due to lower total compensation costs, an impairment charge on ABCP of \$508,000 compared to \$1,346,952 during the corresponding period in 2007 and an unrealized gain on foreign exchange of \$337,766.

For the nine-month period ended September 30, 2008, the Company incurred a loss of \$1,597,788 (\$0.04 per share) compared to a loss of \$2,528,399 (\$0.07 per share) in 2007. The results for the nine-month period ended September 30, 2008 includes lower administration costs, due to significantly lower compensation costs resulting from a positive variance of \$708,945 in stock-based compensation, and an impairment charge on ABCP of \$508,000 compared to \$1,346,952 during the corresponding period in 2007.

Interest income totalled \$1,956 for the three-month period ended September 30, 2008 compared to \$35,845 in 2007 (\$6,904 compared to \$181,637 during the nine-month periods ended September 30, 2008 and 2007, respectively) due to the Company's lower cash and cash equivalent average position in 2008 compared to 2007. During the 3rd quarter and the nine-month periods ended September 30, 2008, the Company did not accrue interest income on its ABCP and incurred \$46,572 and \$115,043, respectively, in interest expense related to the bank loan (secured by the Company's investments in ABCP).

The Company accounted for a gain on foreign exchange of \$337,766 during the 3rd quarter ended September 30, 2008 (a gain of \$3,433 during the nine-month period ended September 30, 2008) compared to a loss of \$12,813 in 2007 (\$18,269 during the nine-month period ended September 30, 2007). These amounts result from the change in value of the Australian dollar relative to the Canadian dollar applied on the conversion of monetary items held in Australian currency at the balance sheet dates.

Quarterly information

The table below presents revenues, net loss and net loss per share for the last eight quarters.

Period ended	Revenues	Net loss	Net loss
	\$	\$	per share
September 30, 2008	-	(460,250)	(0.01)
June 30, 2008	-	(732,461)	(0.02)
March 31, 2008	-	(405,077)	(0.01)
December 31, 2007	-	(1,586,645)	(0.03)
September 30, 2007	-	(1,609,043)	(0.04)
June 30, 2007	-	(246,117)	(0.01)
March 31, 2007	-	(673,239)	(0.03)
December 31, 2006	-	(27,285)	-

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital deficit at September 30, 2008 totalled \$5,955,622 compared to \$2,445,666 at December 31, 2007. The working capital deficit includes a bank overdraft and bank loan which totals \$5,696,242.

On August 30, 2007 (with various subsequent amendments), the Company entered into a temporary credit facility of \$6,000,000, secured by the Company's ABCP, to fund working capital requirements. As at September 30, 2008, an amount of \$5,491,341 has been drawn on the facility, which bears interest at prime less 1.50% and matures on December 31, 2008. The Company is required to reduce the amount of the outstanding credit facility with any proceeds received from the sale of the ABCP. Subsequent to the end of the quarter, the lender agreed

to increase the amount available under the temporary credit facility from \$6.0 million to \$6.3 million, with all other terms and conditions of the credit facility remaining unchanged.

On September 5, 2008, the Company completed the first tranche of a non-brokered private placement with the second tranche completed on October 10, 2008. As part of this financing, the Company issued a total of 9,517,500 units at a price of \$0.20 per unit, for total proceeds of \$1,903,500. Each unit consists of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.40 per share until March 5, 2010.

Funding requirements

The Company has available liquidities of approximately \$450,000 at November 21, 2008 and it has no cash flow generating operations. As a result of the ABCP situation described above, the Company has funded, to a large extent, its 2008 exploration program through a credit facility. On a going-forward basis, the Company will rely primarily on capital markets to fund its activities through the issuance of common shares. Although the Company has been successful in the past in obtaining required financing, there can be no assurance that such financing will be available on acceptable terms. Also, the current economic environment has made access to capital increasingly difficult. The Company is, at the same time, pursuing alternative sources of financing for its exploration projects including partnership and joint venture arrangements. Due to this situation and the upcoming wet season, field activities have now been halted, which has significantly reduced the Company's expenditure levels. The Company has available funds to meet all existing commitments. The Company is currently assessing various options to ensure that funding is available to meet minimum expenditure requirements for at least the next 12 months.

No assurance can be given that additional capital will be available at all or available on terms acceptable to the Company or that the Company will be successful in finding alternative financing. The Company's ability to continue as a going concern is dependent on its ability to raise additional capital or find alternative financing options. If the Company is unable to raise such financing in the short-term, it may not be able to resume its exploration activities and meet ongoing commitments, which may have a material adverse effect on the Company.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2008, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

1. paid or accrued consulting fees of \$75,230 during the quarter ended September 30, 2008 and \$218,892 during the nine-month period ended September 30, 2008 (\$69,400 during the quarter ended September 30, 2007 and \$148,700 during the nine-month period ended September 30, 2007) to a Company controlled by an officer and director of the Company;
2. paid or accrued legal fees of nil during the quarter and the nine-month periods ended September 30, 2008 (nil during the quarter ended September 30, 2007 and \$100,917 during the nine-month period ended September 30, 2007) to a law firm of which a director of the Company is a partner; and
3. paid or accrued professional and administration fees \$115,428 during the quarter ended September 30, 2008 and \$362,984 during the nine-month period ended September 30, 2008 (\$76,100 during the quarter ended September 30, 2007 and \$193,500 during the nine-month period ended September 30, 2007) to Reunion Gold Corporation, a company under common management.

As at September 30, 2008, the Company owed \$116,511 to Reunion Gold Corporation (\$36,105 as at December 31, 2007), a company under common management.

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.

BOOK VALUE OF MINING PROPERTIES

At the end of each quarter, management reviews the carrying value of its resource properties to determine whether any write-downs are necessary. As described under **Business Overview**, field activities have now been halted at all of the Company's exploration projects and the Company is analyzing data collected during the last field season. However, it is the Company's intention to resume work on properties that the Company will have deemed to be the most promising as soon as additional funding becomes available and on that basis, no write-offs were deemed necessary as at September 30, 2008.

On November 11, 2008, the Company advised the owner of one mineral license, in which the Company had a 5-year purchase option, that it would discontinue its exploration on the property, due to disappointing results. Consequently, the Company will write-down the costs accumulated on this property and others in the 4th quarter of 2008, for an estimated amount of \$75,000.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2008, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1535, *Capital Disclosures*, Section 3862, *Financial Instruments - Disclosures*, and Section 3863, *Financial Instruments - Presentation*. These new Handbook Sections apply to fiscal years beginning on or after October 1, 2007.

Under Section 1535, companies are required to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. The objective of Section 3862 is to provide financial statement disclosure to enable users to evaluate the significance of financial instruments to the Company's financial position and performance and the nature and extent of risks arising from financial instruments that the Company is exposed to during the reporting period and the balance sheet date and how the Company is managing those risks. The purpose of Section 3863 is to enhance the financial statement user's understanding of the significance of financial instruments to the Company's financial position, performance and cash flows. Other than disclosure requirements, the adoption of these standards has no significant effect on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, ABCP, bank loan, accounts payable and accrued liabilities and amounts due to a related party. Other than the ABCP (as previously discussed), management does not believe that these financial instruments expose the Company to any significant interest or credit risks. The fair market value of these instruments, other than the ABCP, at September 30, 2008 approximates their carrying value. 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. As at September 30, 2008, a plus or minus 10% change in the foreign exchange rates between Canadian and Australian dollars would affect shareholders' equity by approximately \$23,300.

OUTSTANDING SHARE DATA

Common shares and convertible securities outstanding at November 27, 2008 are as follows:

Securities	Expiration date	Exercise price	Securities outstanding
Common shares	n/a	n/a	52,400,768
2008 warrants	5-Mar-10	\$0.40	4,758,750
2008 broker warrants	5-Mar-10	\$0.20	70,000
Stock options	1-Mar-12	\$0.60	1,755,000
Stock options	26-Mar-12	\$0.60	10,000
Stock options	14-Jun-12	\$0.60	250,000
Stock options	17-Dec-12	\$0.60	1,200,000
Stock options	17-Mar-13	\$0.60	150,000

If all warrants and options were exercised, total shares outstanding would be 60,594,518 shares.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business, which is the acquisition and exploration of mineral properties. Some of the risks facing the Company are listed below. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected. Additional risks may also impair the Company's operations. For a more complete discussion of these and other risk factors, please refer to the "Risk Factors" section of the Company's prospectus dated February 21, 2007 accessible on www.sedar.com.

Liquidity crisis and Requirement for Additional Financing

The Company has no history of earnings and has limited financial resources. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses until such time as its mineral projects, or any other properties the Company may acquire, enter into commercial production and generate sufficient revenues to fund its continuing operations. Given the nature of capital market demand for speculative investment opportunities such as mineral projects, there is no assurance that additional financing will be available in the appropriate amount when required. The current economic downturn and global credit crisis has made access to capital even more difficult. **No assurance can be given that additional capital will be available at all or available on terms acceptable to the Company.**

The further development and exploration of the Company's projects depends upon the Company's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Company 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 Company 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 Company to postpone its exploration programs, forfeit rights in some or all of its projects or reduce or terminate some or all of its operations.

Exploration and Development

The Company's mineral projects are in the exploration stage. 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 Company may be affected by numerous factors which are beyond the control of the Company 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 Company not receiving an adequate return of investment capital.

All of the Company'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 Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company'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

The Company, through its Australian subsidiaries, owns or has entered into agreements to acquire the mineral rights comprising its projects. One of those mineral rights has expired and its renewal is subject to the approval of the State of Queensland. The State will not process the transfer of that mineral right to the Company's subsidiary until it has processed the renewal application. In addition, another mineral right has not yet been transferred to the Company's subsidiary and is subject to the approval of the State of Queensland. There is no assurance if, or when, such renewals and transfer applications will be approved.

Some other mineral rights are still in the application stage and there is no assurance if, or when, such applications will or may be approved by the applicable regulatory authorities or, if approved, that the granted mineral rights will include the sub-blocks requested in the applications. Until an application is approved and a mineral rights is granted, an application for exploration permit for minerals ("EPMA") or an application for mineral development lease ("MDLA") does not confer on the holder any exploration rights. The Company has submitted an application for a mineral development licence ("MDL") over most of the area which currently comprises the Sybil Graben Project. If the MDLA is not accepted, the Company may be required to relinquish most of the area which comprises the Sybil Graben Project.

The Company could lose title to, or its interests in, the mineral rights comprising its projects if conditions under applicable laws are not met or if sufficient funds are not available to meet expenditure commitments.

Although the Company 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 its properties will not be challenged or impugned. The mineral properties, in which the Company has its 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 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 Company can give no assurance as to the validity to those lands or the size of such mineral lands.

Compulsory Work Obligations

Each of the Company's mineral rights, and those mineral rights that it has a right to acquire, is subject to expenditure and work commitments which must be met in order to keep such tenement in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is a failure to meet the commitments, this could lead to forfeiture of the tenement.

Native Title and Aboriginal Cultural Heritage

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable) and Aboriginal Cultural Heritage legislation.

The *Native Title Act* 1993 legally recognizes the unique title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production mineral rights. Native title may affect the status, renewal and conversion of existing mineral rights and the granting of new mineral rights.

There may be sites and objects of significance to indigenous Australians located on the land relating to the mineral rights that the Company has rights to. State and Commonwealth Aboriginal Cultural Heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. Aboriginal cultural heritage may restrict access to the affected land and result in the preclusion of any exploration or mining activities in that area. This may result in increased operating costs for the Company in executing its proposed exploration plans. Also, cultural heritage surveys of the exploration areas will need to be conducted prior to accessing the land and access agreements may need to be negotiated with affected parties.

Environmental Regulations, Permits and Licenses

The Company'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. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for

non-compliance are more stringent. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations or cause delays in the development of mining projects.

The current or future operations of the Company, 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. There can be no assurance, however, that all permits which the Company 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 Company might undertake.

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 Company's operations and its financial results.

Volatility of Metal Prices

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 Company's properties can be mined at a profit. Factors beyond the control of the Company 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 Company's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Foreign Currency Exchange

The Company incurs most of its expenditures in Australian dollars, while the funds it raises are Canadian dollars. This renders the Company subject to foreign currency fluctuations which may materially affect its financial position and operating results.

Forward Looking Statements

Except for historical information, this MD&A may contain forward looking statements. Forward-looking statements are not historical facts and are subject to a number of known and unknown risks and uncertainties beyond the Company's control. Uncertainties relate to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; the possibility that required permits may not be obtained in a timely manner or at all; changes in planned work resulting from weather, logistical, technical or other factors; potential resources, exploration results, costs and supply of material relevant to the mining industry; and future plans and objectives of the Company. These statements may cause the actual results, levels of activity, performance or achievement of the Company to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

Statements relating to the effects and impacts of the market disruption are forward-looking information within the meaning of Canadian securities laws. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward looking statements, including, ABCP market conditions, additional defaults under ABCP, the ability of ABCP funds to obtain funding from liquidity facilities supporting the ABCP, and other risks and uncertainties, including those described in this MD & A.

Additional Information and Continuous Disclosure

This MD & A has been prepared as at November 27, 2008. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com) and on the Company's website at www.queenslandminerals.com.