

ASX Release: 26 October, 2011

Quarterly Activities Report - for the three months ending September 2011

HIGHLIGHTS

Greater Whitewash Prospect, Rawbelle Project Queensland

- Metallurgical test work results for Greater Whitewash show very good recoveries for minerals.
- Drilling which re-commenced in mid September has resulted in 1,718 metres of RC drilling.
- Stream and soil samples collected and sent for analysis.
- SLWQ has carried out a soil sampling program at Kildare as well as two ground magnetic surveys with 10 sq km recorded at Kildare and 2 sq km recorded at Oakey Creek.

Greater Whitewash Metallurgical Test work Update

Preliminary metallurgical testing by AMEC Minproc of the mineralisation at Greater Whitewash has provided encouragement regarding the possibility of substantially upgrading the mineral content of the material at a coarse stage of processing which in turn should reduce the quantity of material ultimately needing to be fine ground. Flotation tests have shown that there are excellent recoveries for Molybdenum (93%), Copper (96%) and Silver (85%) at the rougher flotation stage of processing. These three minerals represent the major economic components for Greater Whitewash, even though Tungsten is beneficial as well. Further detailed analysis and testing to better determine ultimate recoveries and the best methodology of beneficiation have yet to be completed, however these preliminary recoveries are most satisfactory.

Regional Exploration

The Company re-commenced RC drilling at Greater Whitewash in mid September and a total of 1,718 metres was completed before the program ceased in mid October. Subject to rig availability and weather, the program will be resumed in January 2012. A part of the drilling concentrated on Whitewash Hill where it was suspected that further near surface high grade mineral maybe intersected. Also areas within Greater Whitewash where there are windows with little drill data were targeted, as suggested by SRK Consulting in its May 2011 Resource estimate for Greater Whitewash released on 30 May 2011 (242 million tonnes grading 604 ppm MoEq* based on a 425 ppm MoEq cutoff with a total of 76% of the resource estimate in the "Indicated" category, thus 185 million tonnes grading 615 ppm MoEq is Indicated).¹

¹ * The MoEq formula is; $MoEq = Mo + Cu/3.8 + Ag*28.8$

This is based on metal prices in May 2011

Mo = US\$37 150 /t

Cu = US\$9 781/t

Ag =US\$33.38 /troyOz, and assumes equal process recoveries for all three elements

A total of 67 stream sediment samples were extracted in the Whitewash and Kiwi Carpet areas and 72 soil samples were taken at Kiwi Carpet. Assay results are awaited.

Work continued on the Permits joint ventured through SLW Queensland Pty Ltd (SLWQ) around Kildare and Oakey Creek to the south of Greater Whitewash (EPM's 14627, 15919, 18202 and 19029). A soil sampling program was carried out to the west of the current anomalous regions at Kildare with a total of 400 samples collected, assay results are awaited. Detailed magnetic geophysical survey data were acquired along lines spaced 50m apart at Kildare on EPM 14627 over an area of 10 sq km and at Oakey Creek on EPM 19029 over an area of 2 sq km. A final report detailing regions for follow up work is awaited.

Corporate

Mr Tony Sheridan a well known Sydney businessman and former stockbroker is assisting the Company working closely with Thomas Mann and Sydney Griff to actively promote the Company (specifically the Greater Whitewash Project) in China, Japan and Korea. The Company's stated aim is to seek joint venture participation in the project. Discussions with interested parties have taken place and remain ongoing.

The Company's 2011 Annual General Meeting will be held on 24 November 2011 at the Royal Automobile Club of Australia, 89 Macquarie Street, Sydney commencing at 10.00 am

Exploration Expenditure

During the Quarter, the Company expended approximately \$170,000 on exploration.

The Company has cash reserves of approximately \$2.794 million as at the end of the September Quarter.

Work Planned for the December Quarter

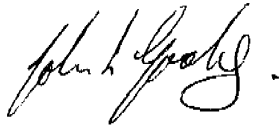
Work planned for the current Quarter includes progression of the metallurgical testwork, and drilling within the Rawbelle Project area including the SLWQ EPMs. Naturally drilling will be curtailed for the wet season, however the Company has secured 2 drill rigs (1 RC rig and 1 diamond rig) to re-commence drilling after the annual wet season.

The Company has also been actively assessing other prospective regions of the EPMs held to the west of Monto in Queensland.

Appendix 5B

The Company's Appendix 5B cash report is attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Goody'.

John Goody

The information in this report that relates to exploration results and mineral resources is based on information compiled by John Goody Director of Exploration, Aussie Q Resources Limited and supervised by Dr. Richard Haren who is a Member of The Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr. Richard Haren is a self employed consultant who consults to AQR and has consented to the inclusion in this report of the matters based on this information in the form and context which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

AUSSIE Q RESOURCES LIMITED

ABN

91 121 964 725

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
- Service Fees	5	5
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(170) - - (454)	(170) - - (454)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- GST Payments	2	2
Net Operating Cash Flows	(576)	(576)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (3)	- - (3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(3)	(3)
1.13 Total operating and investing cash flows (carried forward)	(579)	(579)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(579)	(579)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(579)	(579)
1.20	Cash at beginning of quarter/year to date	3,373	3,373
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,794	2,794

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	149
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Transactions include the payment of Consultancy fees to the associated entities of the Directors, R. Haren & J. Goody, the payment of Superannuation and Directors fees to the Directors, R. Haren, E. Newman, S. Griff & T. Mann, as well as the reimbursement of ordinary expenditure incurred by Directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

The company has a corporate credit card facility for the purpose of company expenses. There are four cards issued with a combined credit limit of \$30,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	26	4

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	500
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,794	3,373
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,794	3,373

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 14627	Transfer of tenement to SLW Queensland Pty Ltd	100%	35%

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	Nil		
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3 +Ordinary securities	145,022,440	145,022,440		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A			
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7 Options <i>(description and conversion factor)</i>	2,000,000 250,000	N/A N/A	<i>Exercise price</i> 10 20	<i>Expiry date</i> 31 December 2011 31 January 2012
7.8 Issued during quarter	N/A			

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	Debentures <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~ *(delete one)* give a true and fair view of the matters disclosed.



26/10/2011

Sign here: Date:
(~~Director~~/Company secretary)

Stephen Lonergan

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

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- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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