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ASX: AQR

INDEPENDENT METALLURGICAL TESTS AT WHITEWASH, UP TO THE ROUGHER FLOTATION STAGE, SHOW VERY HIGH RECOVERY RATES.

- **COPPER 96%**
- **MOLYBDENUM 93%**
- **SILVER 85%**

HEAVY MEDIA TESTS

- **HEAVY MEDIA TESTS SHOW THAT THE ORE GRADE CAN BE UPGRADED, BY HEAVY MEDIA TECHNIQUES, BY A MINIMUM OF 100% AND IN SOME CASES BY 1000% BEFORE THE GRINDING STAGE. THE FOLLOWING STATEMENT BY AMEC MINPROC SAYS IT ALL: *"These results show considerable promise for rejection of gangue minerals (Waste Rock) at coarse sizes by heavy media and jigging processes to reduce the amount of material that needs to be ground."***
- **THESE HEAVY MEDIA TESTS SHOW CONSIDERABLE PROMISE THAT THE CAPEX AND OPEX FOR THE WHITEWASH PROJECT COULD BE SIGNIFICANTLY REDUCED. ALTHOUGH FURTHER STUDIES ARE NEEDED, THESE RESULTS, ALONG WITH THE SIGNIFICANT INFRASTRUCTURE ADVANTAGE ENJOYED BY WHITEWASH, HAS THE POTENTIAL TO PUT WHITEWASH IN THE LOWER QUARTILE IN OPERATING COST AND CAPEX TERMS.**

FLOTATION TESTS

- **EXCELLENT RECOVERY OF MOLYBDENUM AT THE ROUGHER FLOTATION STAGE OF 93%**
- **EXCELLENT RECOVERY OF COPPER AT THE ROUGHER FLOTATION STAGE OF 96%**
- **EXCELLENT RECOVERY OF SILVER AT THE ROUGHER FLOTATION STAGE OF 85%**
- **RECOVERY OF ABOVE METALS INTO 4.5% OF ORIGINAL MASS**
- **ENERGY TO GRIND THE ORE 16kWh/t to 17.7kWh/t ABOUT INDUSTRY AVERAGE FOR COPPER-MOLYBDENUM PORPHYRIES**

Aussie Q Resources Limited (ASX:AQR) today announced that preliminary results from the first pass metallurgical studies carried out by independent experts AMEC Minproc have returned excellent results. Although further tests are needed to better determine ultimate recoveries and to refine the processing techniques, the very high recovery of the three staple minerals is a major step forward towards the commercial exploitation of the Whitewash Deposit.

Exploration Director John Goody commented; "The rougher stage is normally followed by one or more flotation processes, however, while there will be further losses, in general, most of any mineral losses are in the rougher stage. Therefore Whitewash has passed the main test. This is a major step forward. Also the very encouraging heavy media results are probably more important than the excellent flotation results. These heavy media results show that potentially the mass of ore can be reduced into the grinding and flotation circuit by a minimum of 50% and in some cases by 90%. This is as a result of the minerals reporting to the sink fraction of the heavy media process. In other words most of the mineral from say a 10mt plant can be concentrated into a maximum of 5mt before it needs to be ground (grinding is the most expensive part of a processing plant)."

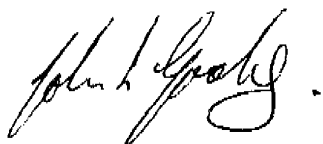
"If we took the worst case scenario here and assumed that there was a reduction of 50% in the amount of ore to the grinding and flotation circuit, it means that instead of building a 10mt/year plant we only have to build a 5mt/year plant beyond the crushing circuit. This plant will still process the original 10mt/year. The potential for a reduction in CAPEX and OPEX are significant and obvious."

"These results are better than anything we could of hoped for and bearing in mind that this is only the first attempt at the metallurgy it is possible that these already excellent results can be improved further". Mr Goody said.

"Additionally our research has shown that similar deposits to Whitewash with 10mt/year production in North and South America have an OPEX of \$10/t or less. Many of these other mines do not have the infrastructure advantage of Whitewash nor are they able to reduce their feed to the grinding circuit, by heavy media methods to the extent that may be possible at Whitewash. This speaks for itself in terms of potential OPEX and CAPEX for Whitewash". Mr Goody said.

The report from AMEC Minproc is attached to this announcement

Yours faithfully

A handwritten signature in black ink, appearing to read "John Goody". The signature is fluid and cursive, with a small flourish at the end.

John Goody
Executive Director

For further information please contact:

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The information in this report that relates to exploration results and mineral resources is based on information compiled by John Leslie Goody, Executive 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 mineralisation 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.

right people, right places



16 September 2011

John Goody
Executive Director Exploration
Aussie Q Resources
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Dear John

Re: Testwork summary for Whitewash

Two samples of core were provided to JKTech in Brisbane for preliminary metallurgical evaluation under the supervision of AMEC Minproc. Preliminary results have now been obtained for samples from both Whitewash and Whitewash South.

Bond Work Index

Ball Mill Bond work index results have been calculated at 16.0 kWh/t for Whitewash and 17.7 kWh/t for Whitewash South. These index numbers point to average to slightly above average energy use in comparison to most copper-molybdenum porphyries processes around the world.

Flotation Recovery

Initial bulk rougher flotation tests have been conducted on two samples using a simple reagent regime. Grind size was 75 μm and the tests were conducted with 20 minutes residence time.

The results from the Whitewash sample resulted in molybdenum recoveries of 92.5% into less than 5% of the concentrate mass from the Whitewash sample at a 75 μm grind size. Recovery of all sulphides was almost 99%.

For the sample from Whitewash South under the same flotation regime, rougher recoveries were even higher at 93.4% molybdenum recovery to the rougher concentrate into 5.2% of the feed mass. Recovery of all sulphides was just over 99%.

These results show excellent amenability of molybdenum recovery using flotation techniques and a simple reagent regime. Further work is required on separation of the molybdenite from the other sulphides to produce a clean molybdenite concentrate and also on optimizing the grind size. Copper recovery to the bulk flotation concentrate was excellent at 96% and above. Silver recovery to the bulk concentrate was also encouraging.

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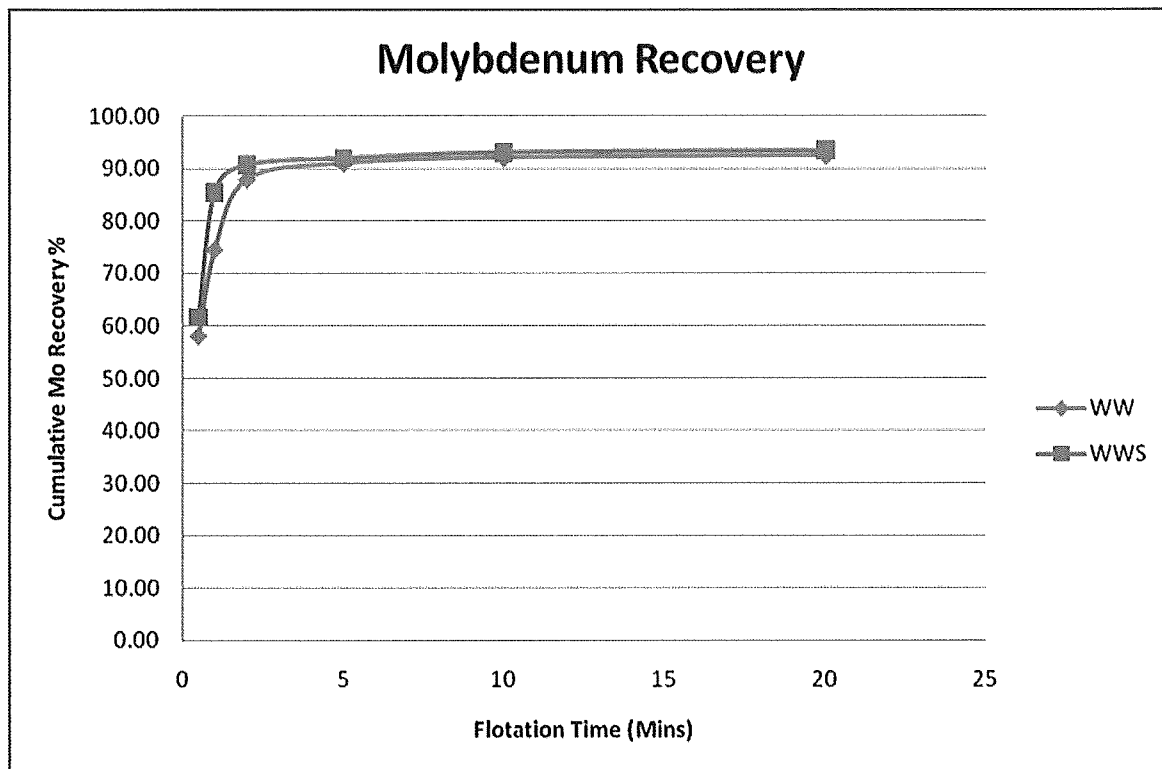
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Table 1 shows a summary of the flotation results and Figure 1 shows the cumulative recovery of molybdenum with flotation time.

Table 1 Recovery of metals to bulk rougher concentrate

Sample	Head Grade % Mo	Bulk Concentrate Mass %	Tailings % Mo	% Mo recovery	% Sulphide S recovery	% Cu recovery	% Ag recovery
WW	0.25%	4.5%	0.02	92.5	99.0	96.0	86.2
WWS	0.14%	5.2%	<0.01	93.4	99.2	96.6	84.5

Figure 1 Cumulative recovery of molybdenum with flotation time



Heavy Media Separation

Heavy liquid separation tests have been conducted on two crushed samples of Whitewash ore. Whilst results are still preliminary and the crush sizes have only limited relevance to real crushing size distributions, significant upgrading of the ore was obtained for some size ranges and some SG values. If the SG value of the heavy liquid was set at 2.75, significant upgrading of the size fractions greater than 0.5mm was obtained. This size fraction was approximately 40-50% of the mass of the crushed samples. It was common to observe a 2-3 times upgrading of head grade in the coarser size fractions and on one sample, an upgrading

ratio of approximately ten-fold was observed in the coarser size fractions to achieve head grades of greater than 1.3% Mo.

These results show considerable promise for rejection of gangue minerals at coarse sizes by heavy media and jigging processes to reduce the amount of material that needs to be ground.

Wilfley Table Separation

Some preliminary shaking table tests were conducted to examine amenability to gravity processing. Only a slight upgrading was observed in the concentrates. Further work is required on gravity separation techniques for the coarser size fractions.

The above analysis is based on preliminary results from JKTech. We are still awaiting their final report and will provide a more comprehensive report when their report becomes available.

Yours sincerely



Nigel Ricketts
Consulting Manager

cc: Greg Harbort