

The Manager  
Australian Securities Exchange  
PO Box 7055  
Riverside Centre  
BRISBANE QLD 4001

31 January 2011

ASX: AQR

## **Quarterly Activities Report - for the three months ending 31 December 2010**

### **HIGHLIGHTS**

#### **Greater Whitewash Project, Rawbelle Queensland**

- Ongoing drilling success at Whitewash, Gordons, Whitewash South, Whitewash West, Brigalow and Windmill Hill.
- New discovery at Windmill Hill with assays returning in early 2011.
- Two drill rigs on-site until the 15<sup>th</sup> December and completed 8024.2m of RC and 3433.8m diamond for a total of 11,458m drilled for the quarter.
- Best **Greater Whitewash (Gordons)** results include;
  - 17m @ 1008ppm molybdenum and 0.26% copper from 42m
  - 126m @ 512ppm molybdenum, 0.13% copper and 2.0 g/t silver from surface
  - 2m @ 1,333ppm molybdenum from 40m
  - 107m @ 477ppm molybdenum, 0.18% copper and 2.5 g/t silver from 17m
  - 5m @ 1,709ppm molybdenum from 194m
  - 4m @ 1764ppm molybdenum from 213m
- Best **Greater Whitewash (West)** results include;
  - 3m @ 1,268ppm molybdenum and 0.18% copper from 202m
  - 8m @ 1.18% copper and 6.6 g/t silver from 134m
  - 16m @ 1,614ppm molybdenum, 0.22% copper and 4.2 g/t silver from 104m
  - 23m @ 462ppm molybdenum, 0.33% copper and 2.2g/t silver from 104m
  - 11m @ 544ppm molybdenum, 0.39% copper and 5.0 g/t silver from 201m
  - 7m @ 0.40% copper from 162m
  - 2m @ 157ppm molybdenum, 3.35% copper and 13.7g/t silver from 181m
  - 11m @ 776ppm molybdenum, 0.29% copper and 5.8 g/t silver from 56m
- Best **Greater Whitewash (South)** results include;
  - 8m @ 656ppm molybdenum, and 0.43% copper from 30m
  - 11m @ 286ppm molybdenum, 0.38% copper and 5.8g/t silver from 139m
  - 1m @ 2,600ppm molybdenum from 356m

Note: All intersections are downhole lengths

#### **Regional Exploration**

- Research was undertaken to identify the most effective and efficient exploration techniques to explore the Whitewash – Kiwi Carpet corridor that stretches over 15km

and is extensively covered by Tertiary basalt and Jurassic sandstone. The Kiwi Carpet area is host to extensive copper mineralisation and although a total of 42 holes have been drilled (5 by AQR) there are still large areas that are underexplored.

## Corporate

- Share Purchase Plan at 45 cents per share announced on 26 November 2010 received subscriptions for 1,506,259 shares from 73 shareholders.
- Successful capital raising of \$2.5 million by placements at 45 cents per share to sophisticated investors.
- The assignment of Exploration Permit for Minerals 15920 from Goody Investments Pty Ltd (100%) to Aussie Q Resources Ltd (100%) on the 16<sup>th</sup> November 2010.

During January 2011 the Company signed a funding agreement with Chinese investor, SLW Minerals Corporation ("SLW") to jointly explore a number of areas namely EPM's 14627, 15919, 18202 located in the Kildare prospect area held by AQR, and a recently applied for EPMA 19029 located at Oakey Creek, all in Central Queensland.

Under the terms of the agreement, the parties have established SLW Queensland Pty Ltd ("SLWQ"), owned 65% by SLW and 35% by AQR and AQR has agreed to transfer the Kildare EPMS into this entity.

SLW has advanced SLWQ an initial \$2 million to fund immediate exploration activity on the Kildare and Oakey Creek prospects, and SLW will advance up to an additional \$2 million contingent on results. AQR has no obligation to fund SLWQ and the sole recourse of SLW for repayment of its advances to the jointly owned company will be the exploration tenements.

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## Summary Comments

The quarter brought continued success with the discovery of new mineralisation at Windmill Hill (assays pending). Excellent assay results continue to be returned for Gordons, Whitewash South and West.

Heavy rain during late December had no impact on the exploration drilling program as the drill rigs had been decommissioned and were off-site at the time.

## Outlook

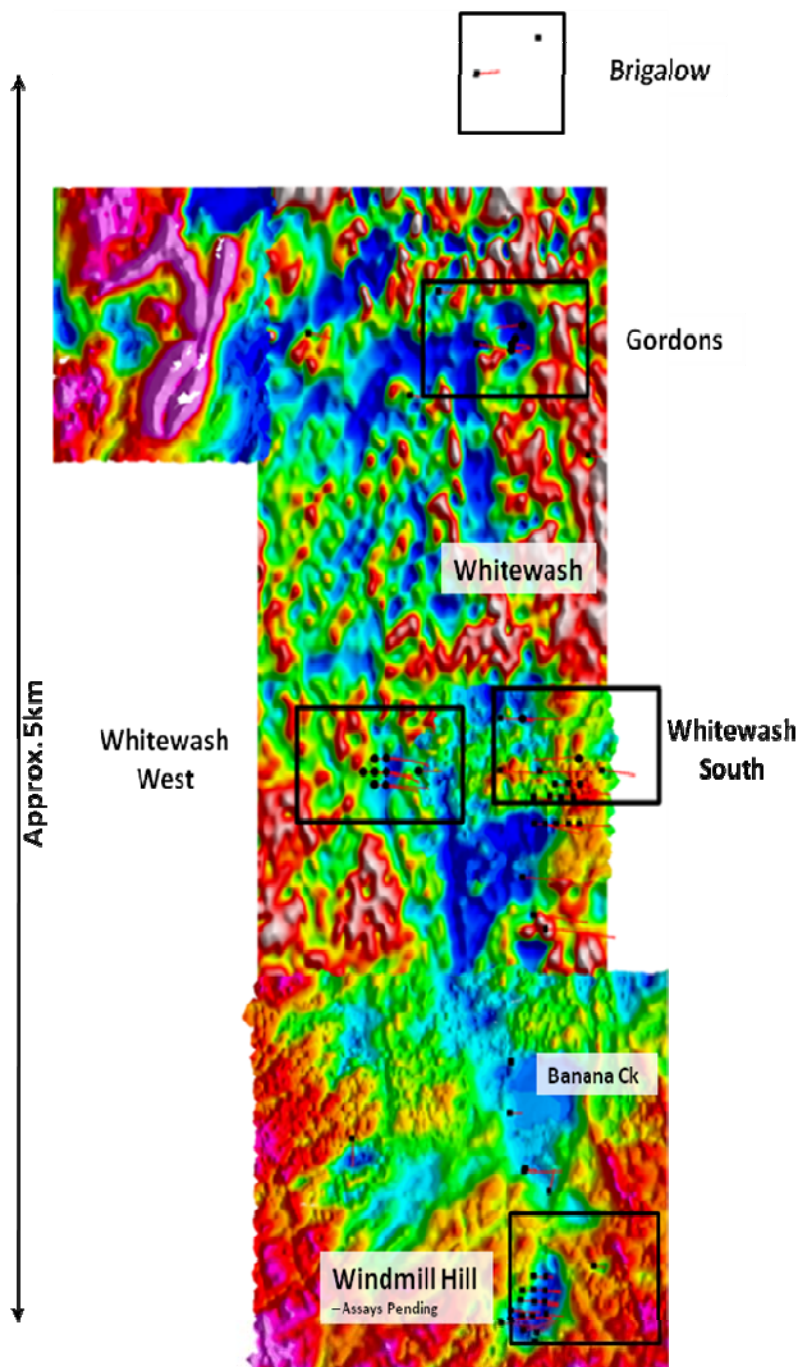
The recent capital raising will allow the Company to push ahead with the resource update planned to be completed by April 2011. Metallurgical testwork and associated scoping study are also planned to be commenced during the first quarter of 2011 for the Whitewash deposit.

Drilling will recommence in April 2011 targeting both resource infill as well as newly defined exploration targets.

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## Greater Whitewash Project

During the period, the Company continued to drill the Greater Whitewash Project area on EPM 14628 (100% AQR owned). Two drill rigs were active at Gordons, Whitewash, Whitewash South, Whitewash West, Banana Creek, Brigalow and Windmill Hill (see Figure 1). The Company drilled a total of 8,024.2m of RC and 3,433.8m of diamond core for a total of 11,458.0m. A total of 43 Reverse Circulation rotary hammer (RC) and diamond core holes were drilled for the quarter (see Figure 1).

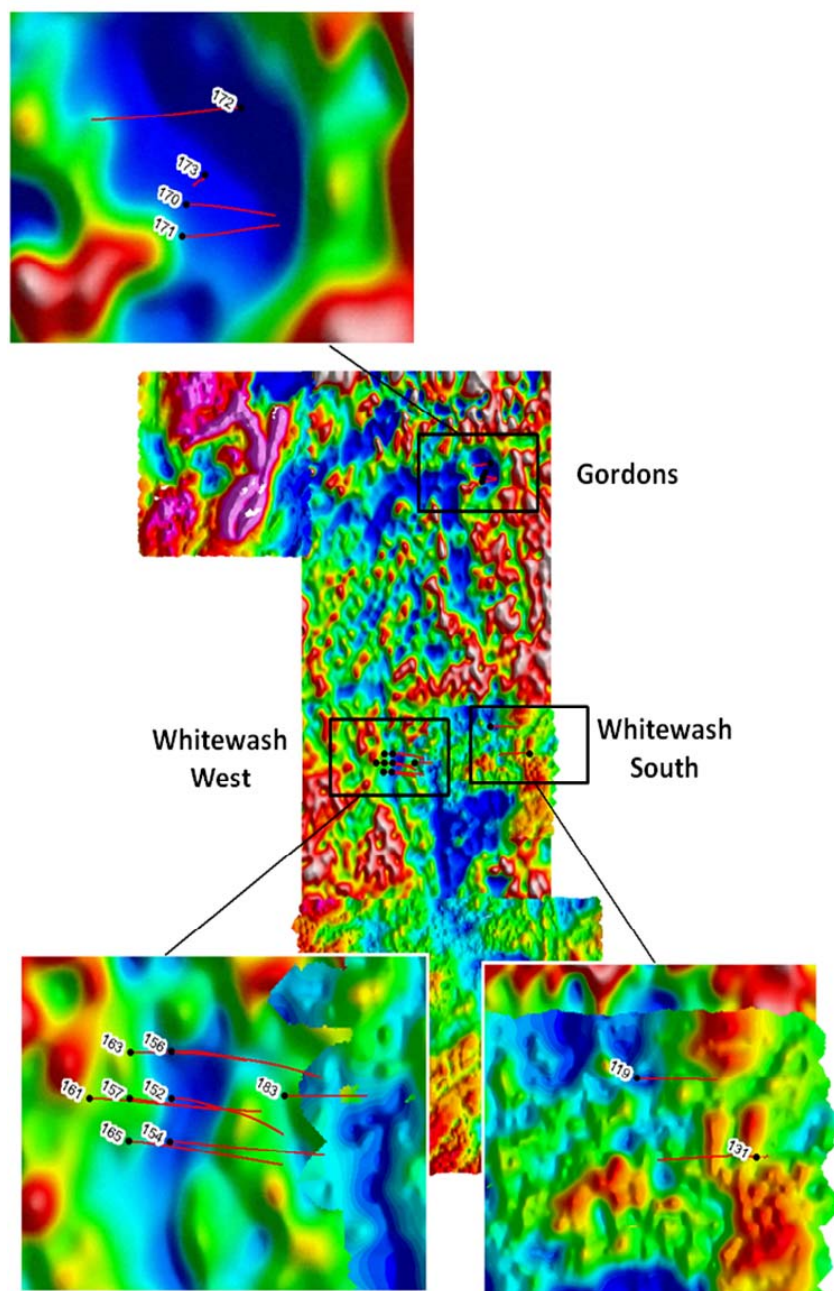


**Figure 1: Locations for Completed Drill Holes and Significant Assays for the Quarter on RTP Ground Magnetic Image**

Results during the Quarter continue to show encouraging mineralisation in many of the drillholes. As results have become available they have been released to the ASX and

posted on the Company's website. Increasing copper grades continue to be encountered to the south and west of the 71.5 million tonne Inferred Mo/Cu Resource already announced to the market at Whitewash/Gordons. Mineralisation could now possibly extend over a region that is 5km long and up to 850m wide.

One hole was drilled during the quarter at Gordons with assays continuing to return excellent results. Significant assays were also returned for Whitewash, Whitewash West and Whitewash South (see Table 1 and Figure 2). At Banana Creek mineralisation was intersected in some holes with further evaluation required. At Windmill Hill visual and Niton XRF assessment indicates good mineralisation with once again elevated copper. Mineralisation at Windmill Hill is hosted in a pipe-like fractionated granite intrusion expressed as a magnetic low similar to Gordon's. Most of the mineralisation is disseminated in nature.

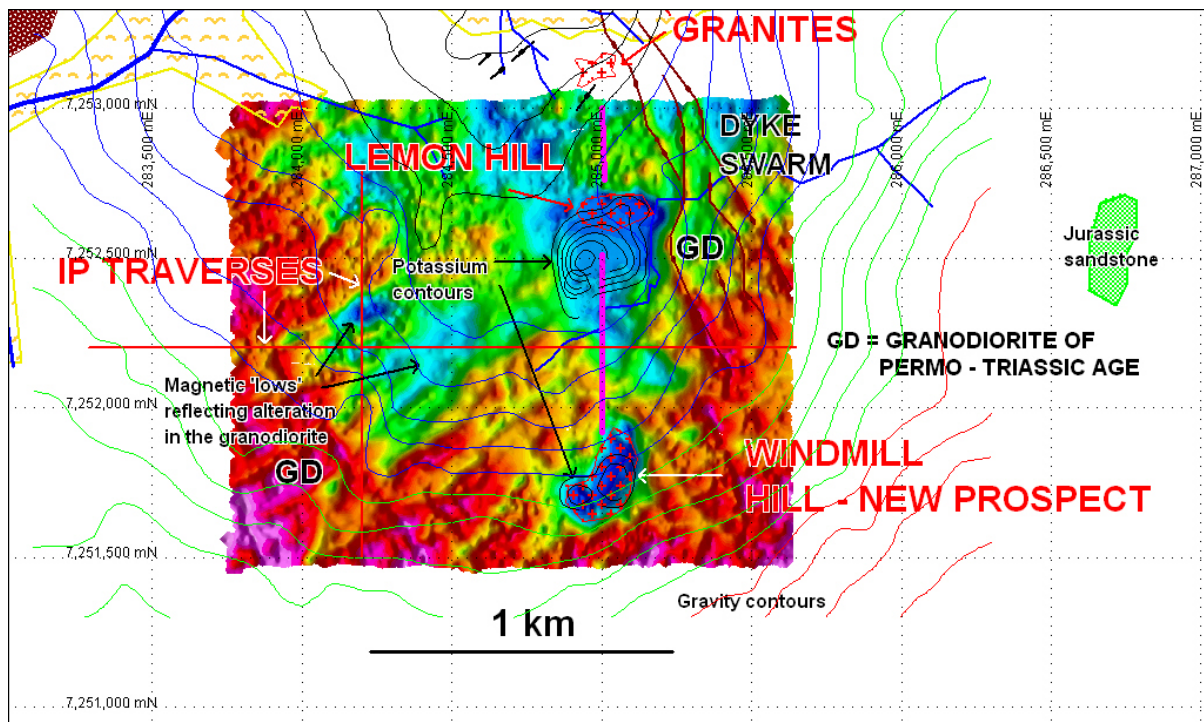


**Figure 2: Drill Hole Locations for Significant Assays Reported During the Quarter on RTP Ground Magnetic Image**

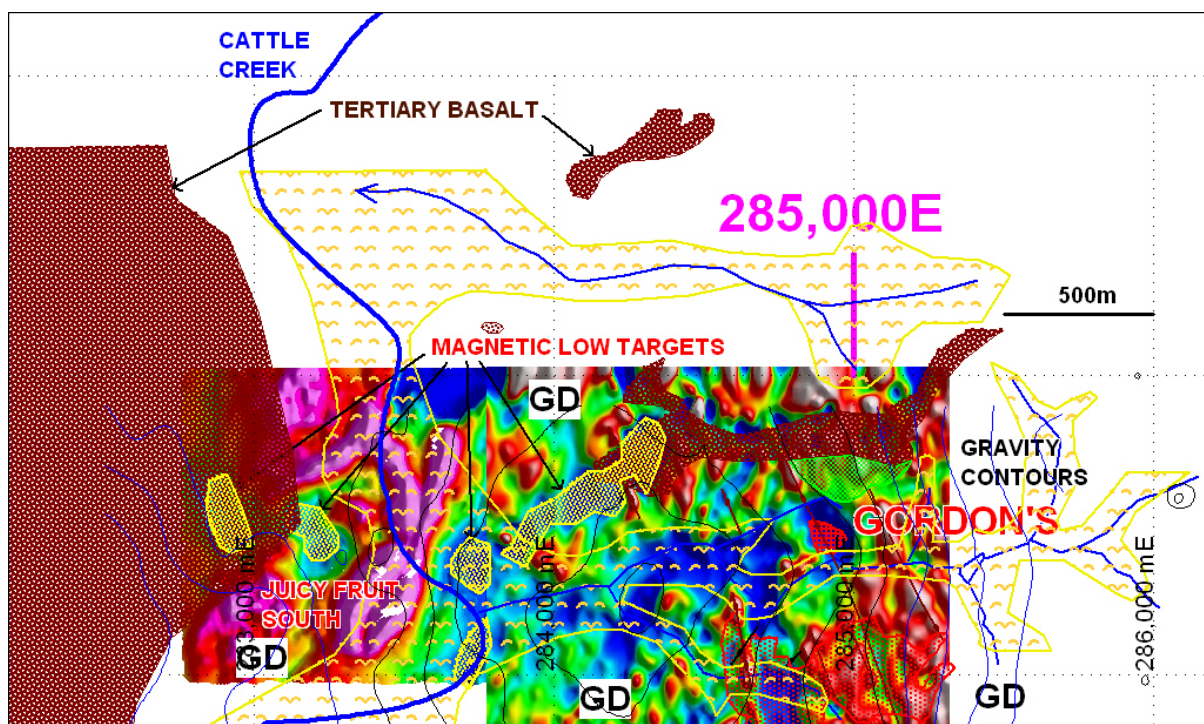
An IP (Induced-polarisation) survey was also undertaken during the quarter with interpretation currently underway (see Figure 3). The gravity survey over the Whitewash Project was also extended at the same time. The IP traverses imply a possible chargeability



anomaly coincident with an overlying magnetic low (argillic-clay alteration in granodiorite) and a gravity lineament. Data to the west of Gordons is shown in Figure 4.



**Figure 3: IP Survey Traverses Lemon Hill – Windmill Hill Area Overlaid on RTP Ground Magnetic Image and Gravity Contours**



**Figure 4: Magnetic Low Targets Near to Gordon's Superimposed on RTP Ground Magnetic Image, Gravity Contours and Simplified Geology. Much of the geology is covered by some type of cover**

Significant intersections received during the Quarter (see Table 1);

HOLE ID	FROM (m)	TO (m)	INTERVAL	Mo (ppm)	Cu (%)	Ag (g/t)	Location
<b>10WW0170</b>	<b>5</b>	<b>14</b>	<b>9.0</b>	<b>505</b>	<b>0.04</b>	<b>1.3</b>	<b>Greater Whiteash (Gordons)</b>
	<b>27</b>	<b>110</b>	<b>83.0</b>	<b>484</b>	<b>0.18</b>	<b>2.5</b>	<b>Greater Whiteash (Gordons)</b>
<i>Including</i>	42	59	17.0	1,008	0.26	3.1	<i>Greater Whiteash (Gordons)</i>
<b>10WW0171</b>	<b>0</b>	<b>126</b>	<b>126.0</b>	<b>512</b>	<b>0.13</b>	<b>2.0</b>	<b>Greater Whiteash (Gordons)</b>
<i>Including</i>	0	31	31.0	648	0.15	2.4	<i>Greater Whiteash (Gordons)</i>
	26	30	4.0	4,229	0.36	5.3	<i>Greater Whiteash (Gordons)</i>
	58	126	68.0	644	0.17	2.5	<i>Greater Whiteash (Gordons)</i>
	67	72	5.0	2,987	0.18	1.8	<i>Greater Whiteash (Gordons)</i>
<b>10WW0172</b>	<b>40</b>	<b>42</b>	<b>2.0</b>	<b>1,333</b>	<b>0.08</b>	<b>1.0</b>	<b>Greater Whiteash (Gordons)</b>
	<b>152</b>	<b>157</b>	<b>5.0</b>	<b>706</b>	<b>0.08</b>	<b>1.2</b>	<b>Greater Whiteash (Gordons)</b>
<b>10WW0173</b>	<b>17</b>	<b>124</b>	<b>107.0</b>	<b>477</b>	<b>0.18</b>	<b>2.5</b>	<b>Greater Whiteash (Gordons)</b>
<i>Including</i>	39	49	10.0	827	0.24	2.4	<i>Greater Whiteash (Gordons)</i>
	194	199	5.0	1,709	0.00	0.0	<i>Greater Whiteash (Gordons)</i>
	213	217	4.0	1,764	0.00	0.0	<i>Greater Whiteash (Gordons)</i>
<b>10WW0152D</b>	<b>202</b>	<b>205</b>	<b>3.0</b>	<b>1,268</b>	<b>0.18</b>	<b>0.7</b>	<b>Greater Whiteash (West)</b>
	<b>134</b>	<b>142</b>	<b>8.0</b>	<b>84</b>	<b>1.18</b>	<b>6.6</b>	<b>Greater Whiteash (West)</b>
<b>10WW0154D</b>	<b>104</b>	<b>120</b>	<b>16.0</b>	<b>1,614</b>	<b>0.22</b>	<b>4.2</b>	<b>Greater Whiteash (West)</b>
<i>Including</i>	111	119	8.0	2,671	0.28	7.5	<i>Greater Whiteash (West)</i>
	197	199	2.0	26	2.13	11.0	<i>Greater Whiteash (West)</i>
<b>10WW0156D</b>	<b>104</b>	<b>127</b>	<b>23.0</b>	<b>462</b>	<b>0.33</b>	<b>2.2</b>	<b>Greater Whiteash (West)</b>
<i>Including</i>	113	120	7.0	971	0.62	4.6	<i>Greater Whiteash (West)</i>
<b>10WW0157D</b>	<b>201</b>	<b>212</b>	<b>11.0</b>	<b>544</b>	<b>0.39</b>	<b>5.0</b>	<b>Greater Whiteash (West)</b>
<i>Including</i>	205	207	2.0	1,743	1.32	13.7	<i>Greater Whiteash (West)</i>
<b>10WW0163D</b>	<b>73</b>	<b>81</b>	<b>8.0</b>	<b>446</b>	<b>0.10</b>	<b>0.5</b>	<b>Greater Whiteash (West)</b>
<b>10WW0165D</b>	<b>162</b>	<b>169</b>	<b>7.0</b>	<b>155</b>	<b>0.40</b>	<b>1.7</b>	<b>Greater Whiteash (West)</b>
<b>10WW0161D</b>	<b>181</b>	<b>183</b>	<b>2.0</b>	<b>157</b>	<b>3.55</b>	<b>13.7</b>	<b>Greater Whiteash (West)</b>
<b>10WW0183</b>	<b>56</b>	<b>67</b>	<b>11.0</b>	<b>776</b>	<b>0.29</b>	<b>5.8</b>	<b>Greater Whiteash (West)</b>
<i>Including</i>	63	64	1.0	3,090	1.20	29.1	<i>Greater Whiteash (West)</i>
<b>10WW0119</b>	<b>26</b>	<b>77</b>	<b>51.0</b>	<b>352</b>	<b>0.23</b>	<b>2.4</b>	<b>Greater Whiteash (South)</b>
<i>Including</i>	30	38	8.0	656	0.43	2.3	<i>Greater Whiteash (South)</i>
<b>10WW0131D</b>	<b>139</b>	<b>150</b>	<b>11.0</b>	<b>286</b>	<b>0.38</b>	<b>5.8</b>	<b>Greater Whiteash (South)</b>
<i>Including</i>	149	150	1.0	259	1.34	21.7	<i>Greater Whiteash (South)</i>
	<b>356</b>	<b>357</b>	<b>1.0</b>	<b>2,600</b>	<b>0.00</b>	<b>0.0</b>	<b>Greater Whiteash (South)</b>

**Table 1: Significant Assay Results Announced During the Quarter**

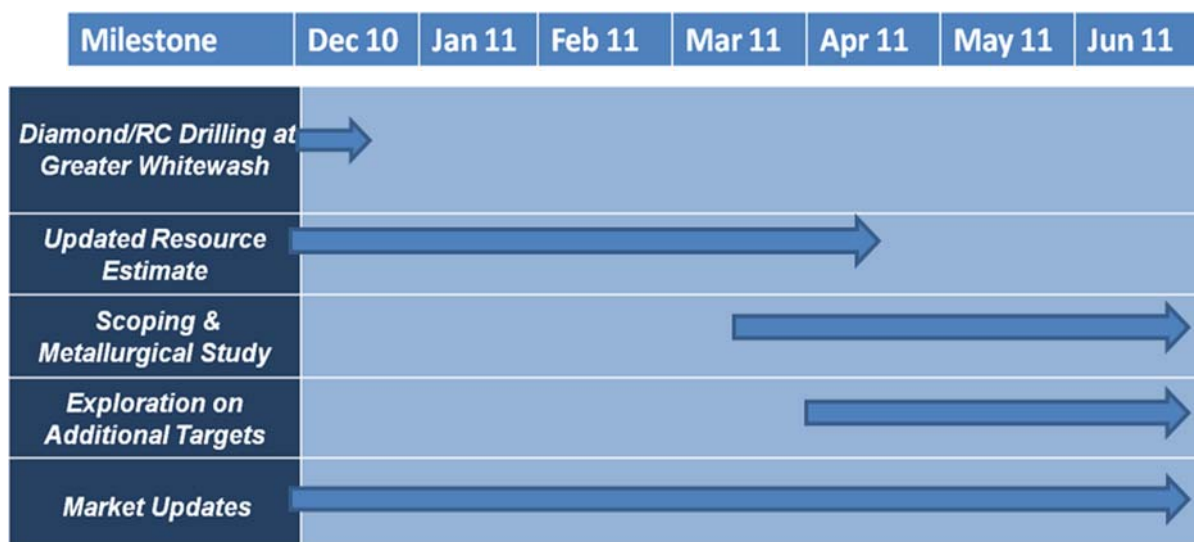
## Drilling and Exploration Expenditure

During this Quarter, the Company has expended approximately \$1.463M on exploration.

The Company has cash reserves of approximately \$4.431M as at the end of this Quarter.

## Work Planned for the January Quarter

A concerted effort is planned during the January Quarter to log the remaining drill holes, validate the geological database and continue to interpret the Greater Whitewash mineralised system. SRK, a global resource consultancy group, have also been commissioned to aid in the interpretation and modelling of the resource, as well as provide an updated estimate by April 2011. An indicative timeline is displayed in Figure 5.



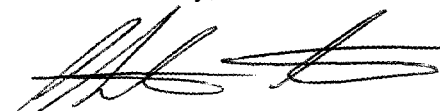
**Figure 5: Indicative Timeline of AQR Planned Activities**

The Company has also been actively assessing other prospective regions of the EPMs held to the west of Monto in Queensland. Discussions with a number of parties regarding the continued funding of the Company's exploration programs have also continued.

## Appendix 5B

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

Yours sincerely,



.....  
Charles Carnie  
Chief Executive Officer

*The information in this report that relates to exploration results and mineral resources is based on information compiled by Charles Carnie, Chief Executive Officer, 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

AUSSIE Q RESOURCES LIMITED

ABN

91 121 964 725

Quarter ended ("current quarter")

31 December 2010

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,463)	(3,201)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(483)	(935)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	59
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- GST Payments	32	(3)
	<b>Net Operating Cash Flows</b>	<b>(1,883)</b>	<b>(4,080)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(42)	(95)
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)	-	-
	<b>Net investing cash flows</b>	<b>(42)</b>	<b>(95)</b>
1.13	Total operating and investing cash flows (carried forward)	(1,925)	(4,175)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,925)	(4,175)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	3,177	6,219
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	200	200
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(4)	(4)
	<b>Net financing cash flows</b>	<b>3,373</b>	<b>6,415</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,448</b>	<b>2,240</b>
1.20	Cash at beginning of quarter/year to date	2,983	2,191
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>4,431</b>	<b>4,431</b>

**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	184
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

**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 five cards issued with a combined credit limit of \$30,000.

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	30	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
4.3 Production	-
4.4 Administration	370
<b>Total</b>	<b>720</b>

### 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	4,431	2,983
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,431</b>	<b>2,983</b>

### 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 15920	Transfer from Goody Investments P/L to Company	100% beneficial	100% Legal
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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	<b>Preference securities</b> (description)	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	<b>*Ordinary securities</b>	144,744,663	144,744,663		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,498,871 1,506,259 944,444  N/A	4,498,871 1,506,259 944,444  N/A	45 45 45	45 45 45
7.5	<b>*Convertible debt securities</b> (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	<b>Options</b> (description and conversion factor)	2,000,000 250,000	N/A N/A	Exercise price 10 20	Expiry date 31 December 2011 31 January 2012
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	N/A N/A	N/A N/A		
7.10	Expired during quarter	N/A			

+ See chapter 19 for defined terms.



7.11	<b>Debentures</b> <i>(totals only)</i>	N/A	
7.12	<b>Unsecured notes</b> <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 \(see note 4\)](#).
- 2 This statement does /does not\* [\(delete one\)](#) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31/1/2011  
(~~Director~~/Company secretary)

Print name: Stephen Lonergan

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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+ See chapter 19 for defined terms.

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