

annual report 2008



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chairman's letter

Dear Shareholder

I have pleasure in presenting the Company's Annual Report for the year ended 30 June 2008.

The Company was incorporated in September 2006 for the purpose of seeking ASX Listing to exploit a number of mining tenements in Queensland which are prospective for a range of minerals including copper and molybdenum.

The Company issued a Prospectus dated 21 March 2007 for the issue of 40,000,000 shares at an issue price of 25c each, with a right to accept over-subscriptions of up to a further 8,000,000 shares at an issue price of 25c. The issue closed oversubscribed and the Company allotted 48,000,000 shares to the public, raising \$12,000,000. On 14 June 2007 the Company was admitted to the official list of the ASX.

A drilling and exploration program was commenced at Whitewash in July 2007 and these results are particularised in the Company's announcements to the ASX - and discussed in the Directors' Report enclosed. More recently, the focus of our drilling program has been the prospect known as Gordon's Knob.

Expenditure and losses for the year are generally in line with overall budgeted Prospectus' estimates taking into account the extra drilling and ancillary services required at the Whitewash prospect to generate the maiden Resource Statement announced in September 2008. Had it not been for industry wide, endemic delays at assay laboratories, this Statement would have been produced earlier.

The share market has not been favourably disposed to investors during this financial year. Nevertheless, the results from our activity at Whitewash and the subsequent announcement of some results of the initial drill holes at Gordon's Knob, augers well for the success of our exploration program and a positive rerating by the market.

During the latter half of 2007, the area of exploration permits (applications) held by the Company was increased through the transfer of applications to the Company by Goody Investments Pty. Ltd., a company associated with John Goody, at no cost to the Company.

Your Board has recognised the need to prepare and implement a Strategic Plan to ensure that your Company's tenements are explored as quickly as possible before compulsory relinquishments take effect. In the Directors' Report you will note that there are a number of highly prospective exploration targets which require early attention. Your Board is however mindful of the need to conserve its funds to discharge our prospectus commitments. Your Board has therefore been seeking joint venture or farm-out arrangements with third parties to explore our non-core exploration areas. We are receiving strong interest from various parties in China, Hong Kong, India and Thailand in particular and we are hopeful of announcing our first farm-out shortly.



chairman's letter (cont.)

Subsequent to the closure of the reporting year, your Company received from Consultants, SRK Consulting Pty Ltd, an independent maiden Resource Statement for the Whitewash Project Area as follows -

Mineral Resource Statement based on a Mo cut-off grade of 0.02%, strike length of 800 metres and depth extent of 400 metres is:

Resource Category	Tonnes (million)	Molybdenum Grade % Mo	Copper Grade % Cu	Silver Grade g/t Ag	Molybdenum Metal (t)	Copper Metal (t)	Silver Metal million oz
Inferred	68.5	0.033%	0.10%	1.2	22,600	68,200	2.5

Full details of this Statement can be found on our website - www.aussieqresources.com.au - click on 'Reports' and then on 'ASX Announcements'.

This is an important first step in the development of your Company from a junior explorer to developing a mining operation.

The encouraging Resource Statement also demonstrates that the funds expended on the original targets have been effectively used and have produced a 'value adding' asset for the Company. Further work, particularly at Gordon's Knob, may well lead to the current Resource being upgraded and increased.

Again, this year we have been helped by a widely experienced professional team in achieving the transition from listing to actively exploring. I am grateful to all members of the Board and our professional advisers who contributed to the process, for their participation which was critical to enabling us to achieve our goals for this year.

Your Directors are of the view that the forthcoming year will be exciting, with promise of further solid exploration success, as we continue our active drilling programs over the Company's tenement holdings.

Yours faithfully



Frank R Gardiner
LL.B, FAIM, FAICD
Chairman

updated review of operations

Review of Operations

During the year Aussie Q Resources Limited (ASX:AQR) has undertaken an intensive program of infill drilling at its 100% owned Whitewash molybdenum/copper prospect (EPM 14628) in southern Queensland. The infill drilling of Whitewash has generated a maiden resource statement announced in September which was calculated by our independent geological consultants in Sydney - SRK Consulting (SRK). The maiden resource

statement can be viewed in full on the AQR website (www.aussieqresources.com.au) or as an ASX announcement on the ASX website (www.asx.com.au). The defined resource at Whitewash is;

Mineral Resource Statement based on a Mo cut-off grade of 0.02%, strike length of 800 metres and depth extent of 400 metres is:

Resource Category	Tonnes (million)	Molybdenum Grade % Mo	Copper Grade % Cu	Silver Grade g/t Ag	Molybdenum Metal (t)	Copper Metal (t)	Silver Metal million oz
Inferred	68.5	0.033%	0.10%	1.2	22,600	68,200	2.5



updated review of operations (cont.)



This represents:

**22,600 tonnes of Mo, 68,200 tonnes of Cu and
2.5 million ounces of Ag**

Towards the end of the drilling at Whitewash, two drill holes were drilled into a knoll immediately north of Whitewash. This knoll, named Gordon's Knob, is a zone of quartz outcrop with a large mineralised pegmatite mass below. These two drill holes provided the best continuous intersections of molybdenum mineralisation seen in all of the Company's drilling.

Buoyed by these broad high grade intersections, the Company initiated a diamond drilling program on Gordon's Knob. Initially the program was set at 3,000 metres, but was increased to 4,500 metres when numerous drill holes produced core that visually showed high grade molybdenite.

At present, SRK is assessing the latest assay data from the Gordon's Knob drilling and it is expected that the Company will be able to announce an updated resource statement for the combined Whitewash/Gordon's Knob area early in 2009.

Preliminary metallurgical tests have been initiated through Roche in Nerang and preliminary analysis has shown that gravity extraction can produce a clean concentrate from the Whitewash ore.

Obviously, further studies need to be undertaken, but the early work suggests that there should be few problems processing the molybdenum/copper ore.

During 2009 AQR intends to continue to infill drill Whitewash and Gordon's Knob to upgrade the resource from its present 'Inferred' status. The Company is also initiating a scoping study on the area to assess the economics of the proposed production methodology and define a preliminary pit design. As well, detailed metallurgical and geotechnical studies will be initiated once the complete assay data for Gordon's Knob is at hand.

The Company is also assessing the acquisition of geophysical gravity data to assist with target generation in the Rawbelle Project Area.

The Board is also investigating numerous opportunities to 'farm-out' or 'Joint Venture' some of the other molybdenum/copper prospects within the more than 900 sq km within the Rawbelle Project Area held under the Company's exploration permits.

The results from the last year of work has shown that the exploration permit area near Monto, Queensland is very prospective and the Company will work diligently during the next twelve months to maximise the value of this asset for all shareholders.

The information in this report that relates to exploration results 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 works for AQR and has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Photo Left:

Gordon's Knob (northern boundary of Whitewash) core from recent diamond drilling with spectacular molybdenum visible from Hole 78 at 155 metres depth.

directors' report

Directors Report

Your directors present their report on the company for the financial year ended 30 June 2008.

Directors

The names of directors in office at any time during or since the end of the period are:

- Mr John Leslie Goody (appointed 28 September 2006)
- Dr Richard Haren (appointed 28 September 2006)
- Mr Robert Lawrence Barraket (appointed 6 March 2007 and resigned 20 September 2007)
- Mr Jan Willem Van Der Veen (appointed 7 March 2007 and resigned 20 September 2007)
- Mr Frank Reid Gardiner (appointed 11 July 2007)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial period:

Stephen J Lonergan LLB (Hons),LLM (Mc Gill). Mr Lonergan is currently the general counsel and company secretary of CBH Resources Ltd and director and company secretary of Paradigm Gold Ltd and has held similar positions with Savage Resources and Pancontinental Mining. He has been involved in acquisitions and exploration arrangements in Canada, USA, Peru, Australia, South Asia and Africa. Mr Lonergan was appointed company secretary on 28 September 2006.

Principal Activities

The principal activities of the entity during the financial period were exploration of porphyry copper/molybdenum mineralisation near Monto, Queensland. The entity is exploring nine Exploration Permit Minerals (EPMs) in the Monto region (exceeding 900 sq kms in area) for base metals (four of these EPMs were acquired during the financial period, one was provided to the entity by a company associated with John Goody, the others were applied for by the entity in its own right). The main focus of exploration includes copper and molybdenum. It is the entity's intention

to move towards a mining operation on the leases if the exploration phase is successful. Negotiations are ongoing with mineral producers from China and Korea to assist the entity in reaching this goal.

There were no significant changes in the nature of the entity's principal activities during the financial period.

Operating Results

The loss of the entity after providing for income tax amounted to \$347,776.

Dividends Paid or Recommended

No dividends were paid or declared and no dividends have been recommended by the directors.

Review of Operations

Exploration

The entity is currently undertaking exploration at the Rawbelle Project in Queensland which is approximately 30 km to the west of Monto in southern Queensland. Monto is a town of 1700 people around 110 km south of Gladstone, a deep water port. The region hosts exceptionally good infrastructure including a mining oriented town with a willing workforce, bitumen highways, a viable rail system, extensive power grid and large scale water resources. There are seven contiguous Exploration Permits for Minerals (EPM) 14628, 15921, 15922, 17001, 17002 as well as contiguous EPM applications (EPMA) 15920 and 17060 west of Monto and two contiguous EPMs, namely EPM 14627 and 15919 which are situated approximately 20 km to the south of the group of seven. All of these EPMs are 100% held by the entity. EPMA 17060 has been applied for in the name of the entity and EPMA 15920, has been applied for by Goody Investments Pty Ltd (GI) - a company owned by John Goody, and is being held by GI for the beneficial interest of the entity AQR.

These EPMs host a number of prospective areas or prospects called Whitewash, Gordon's Knob, Juicy Fruit, Noddy's Creek, Kiwi Carpet, Anomaly 7B, Kildare, Trevethan and Bulls Eye. The entity has ranked these prospects respectively as - development, advanced or grass roots depending on the amount of work that had been done on them. Whitewash is the development project, Gordon's Knob, Juicy Fruit, Noddy's creek, Kiwi Carpet and Kildare are advanced prospects and the



rest are essentially grass roots projects. Whitewash has been drilled extensively during the period and assay data from 61 drill holes has been released to the market. Six new drill holes (1,085 metres) were drilled at Juicy Fruit and two drill holes at Gordon's Knob. Ongoing geological assessment has been performed at many of the other prospects within the Rawbelle Project area.

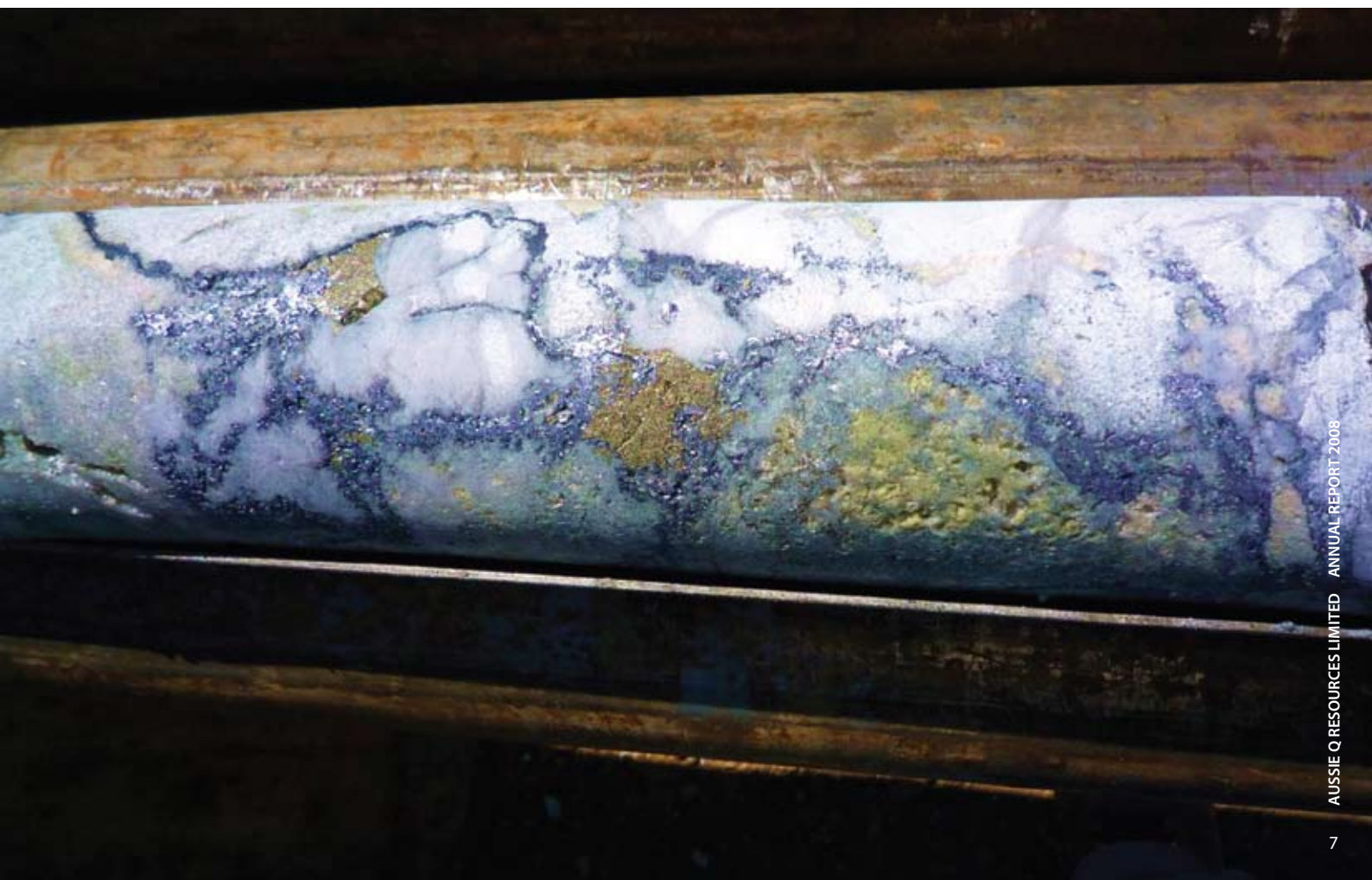
The 61 drill holes completed to date at Whitewash amount to 16,601 metres of drilling. These drill holes will provide more data on the grade and tonnage at the Whitewash development project. This infill drilling is designed to provide data to facilitate an independent assessment that should facilitate a resource figure. More drilling is planned at Whitewash once the initial

resource estimate is available. The initial two drill holes (336 metres) into Gordon's Knob immediately north of Whitewash provided broad high grade molybdenum intersections which required follow up assessment once the assays were received. Subsequent drilling in the Gordon's Knob area has confirmed the presence of a broad high grade mineralised zone. This drilling is continuing at the time of this report.

From the above it can be seen that numerous highly prospective zones occur across the area of the 7 EPMs and the 2 EPMA's, that make up the Rawbelle project area, these will be systematically assessed by the entity in the near future.

Photo Below:

Gordon's Knob diamond drill core showing strong alteration and very good visual molybdenum from Hole 79 at 96 metres depth.



directors' report (cont.)

Financial Position

The net assets of the entity at the 30 June 2008 were \$16,805,830 with cash on hand \$5,896,101. The majority of the cash came from the proceeds of share issues completed in the 2007 financial year raising \$12,501,900. The entity's financial position has enabled the entity to place cash on deposit thus providing good earnings from interest income. The directors believe the entity is in a strong and stable financial position to continue its current exploration operations.

The entity's opening share price on 1 July 2007 was \$0.22 per share. During the period ended 30 June 2008 the share price varied between \$0.06 and \$0.27. The closing share price at 30 June 2008 was \$0.10.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the entity during the financial period.

Photo Below:

Gordon's Knob diamond drill core showing good visual molybdenum and copper mineralisation from Hole 83 at 20.5 metres depth.



After Balance Date Events

There have been no significant events after the balance sheet date.

Future Developments, Prospects and Business Strategies

Post 30 June 2008 the entity has drilled further diamond drill holes into the Gordon's Knob project with very positive initial expectations from the visual inspection of core, drilling is continuing and assays are expected. During the next twelve months the entity is programmed to present its initial resource statement for Whitewash and possibly complete more infill drilling. The entity is also preparing to explore the other advanced prospects using geophysical methods and then drill test any newly discovered prospective zones. At present we are in discussions with geophysical contractors to assess the availability of personnel to perform gravity measurements over selected prospects. The entity has acquired a geometrics magnetometer and is currently engaged in measuring infill magnetic data over prospective areas, as well a Niton Gun field portable Xray Fluorescence (XRF) system has been acquired and it is being used to assess areas of outcrop in the Rawbelle Project area.

The following initiatives are intended to be pursued in the near future:

- (i) Continue systematically to survey and drill test all of the individual prospects in the Rawbelle area as foreshadowed in the Company's Prospectus dated 21 March 2007.
- (ii) Continue to assess farm-in and farm-out opportunities as they arise.
- (iii) Continue and, as appropriate, advance discussions with groups from Asia as part of the Company's strategic plan to engage with entities who seek to be involved in developing mining operations by way of direct investment and/or by way of entering into farm-ins and/or Joint Venture arrangements as a precursor to potential off take contracts for minerals (especially molybdenum).

Environmental Issues

The entity's operations are subject to significant environmental regulation under the law of the Commonwealth and State. Details of the entity's performance in relation to environmental regulation are as follows:

The exploration undertaken at Rawbelle to date has not created any significant environmental issues. However, environmental issues will arise as and when the entity moves into production and these issues will be thoroughly assessed at the time any mining authority is sought. The work undertaken to date has produced minimal impact on the environment. No issues regarding compliance were encountered during the reporting period.

directors' report (cont.)

Information on Directors

John Leslie Goody - Age 56
Director

Qualifications

Member of the Geological Association of Australia

Experience

Mr Goody has over 35 years experience in the mining industry and has been responsible for the development of various prospects throughout Australia, Papua New Guinea, Vanuatu, Philippines, China and Chile.

Interest in Shares and Options

245,000 shares purchased during the year, 36,000,000 shares issued 23 January 2007 and 18,000,000 options issued 30 January 2007

Special Responsibilities

Executive Director Exploration

Directorships held in other listed entities in the last 3 years

None

Richard Haren - Age 63
Director and Chief Executive Officer

Qualifications

First Class Honours Degree and University Medal in Physics and a PhD in Exploration Geophysics from the University of New South Wales. Dr Haren is a corporate member of the Australasian Institute of Mining and Metallurgy, the Society of Exploration Geophysicists and the Australian Society of Exploration Geophysicists.

Experience

Dr Haren has over twenty years of project management experience involving numerous industries including minerals exploration and mining finance and IT. Dr Haren has consulted to a variety of public and private companies in Australia, Asia, Africa, the C.I.S, North and South America involving exploration and mining.

Interest in Shares and Options

3,000,000 shares and 4,000,000 options issued on 30 January 2007.

Special Responsibilities

CEO, Executive Director with overall management responsibilities for the entity including day to day management. Responsible person for reporting exploration results and reporting to the ASX.

Directorships held in other listed entities in the last 3 years

None

Robert Lawrence Barraket - Age 63
Director and Chairman
(resigned 20 September 2007)

Qualifications

Bachelor of Laws and was admitted to practice as a solicitor in 1967.

Experience

Mr Barraket is widely experienced commercial lawyer who has represented numerous public and private companies in Australia, New Zealand, the United States, Canada and Asia. He has also held Board positions with a number of exploration and technology companies in Australia, New Zealand and the United States.

Interest in Shares and Options

1,500,000 shares and 500,000 options issued on 30 January 2007.

Special Responsibilities

Mr Barraket was the Chairman of the entity and a member of the Audit Committee.

Directorships held in other listed entities in the last 3 years

None

directors' report (cont.)



Jan Willem Van Der Veen - Age 63
Director
(resigned 20 September 2007)

Qualifications

None

Experience

Mr Van Der Veen has been involved in the resource and mining industry since 1975, initially promoting and implementing improvements to ore treatment flows at various mining operations in New South Wales, Queensland, Tasmania, Western Australia and Papua New Guinea. More recently Mr Van Der Veen has been operating an open cut mine near Lightning Ridge, New South Wales and has spent considerable time prospecting the surrounding area.

Interest in Shares and Options

200,000 shares issued on 23 January 2007 and 500,000 options issued 30 January 2007.

Special Responsibilities

Mr Van Der Veen was Chairman of the Audit Committee.

Directorships held in other listed entities in the last 3 years

None

Frank Reid Gardiner - Age 69
Director and Chairman

Qualifications

LL.B. F.A.I.M. F.A.I.C.D.

Experience

Mr Gardiner has a long and diverse professional background. In addition to practising as a Barrister and serving as a member of the Hong Kong Judiciary, Mr Gardiner has extensive corporate experience including positions as Managing Director of publicly listed companies in Asia and as a Director of many Australian public and private companies including mining enterprises throughout the Asia Pacific region. Frank has also served as a member of the University of Queensland Senate for nine years plus other public sector roles including Commissioner of the Australian Film Commission.

Interest in Shares and Options

Nil

Special Responsibilities

Mr Gardiner is involved in ongoing negotiations with Native Title Parties in Queensland and with groups in Asia to pursue the company's strategic plan to engage with entities who seek to develop mining operations in Rawbelle. Mr Gardiner also heads the Audit Committee.

Directorships held in other listed entities in the last 3 years

None

directors' report (cont.)

Remuneration Report - Audited

This report details the nature and amount of remuneration for each director of Aussie Q Resources Limited, and for key management personnel.

The Board establishes appropriate remuneration for directors and remuneration levels and incentive structures for key management personnel.

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the entity. This category includes the two executive Directors of the entity (Messrs Haren and Goody). These key management personnel are engaged under consultancy arrangements as well the entity has two employees based in Monto and an office manager working in Bundall.

Compensation levels have been, and will be, set to be in line with Australian mineral exploration entities of equivalent size and comparable operations in order to attract and retain suitably qualified and experienced key management personnel.

The Executive Directors are retained on three year contracts, commencing on the date the entity was admitted to the official list of the ASX (14 June 2007), as consultants to the entity. Their contracts provide that their fees will be reviewed annually and it is expected this will first occur in the third quarter of 2008.

All Directors receive director's fees coupled with superannuation payments and, in the case of non Executive Directors, when providing additional services to the entity; they are paid at normal commercial rates for their work. Neither Directors nor key management personnel are entitled to any retirement benefits.

All remuneration paid to Directors and key management personnel is valued at the cost to the entity and expensed.

The following directors received options in the 2007 financial year for no consideration:

- John Leslie Goody
- Richard Haren
- Jan Willem Van Der Veen
- Robert Lawrence Barraket

The fair value of options granted is measured using a black scholes option-pricing model, taking into account the terms and conditions upon which the options were granted.

Consequences of performance on shareholders wealth

In considering the Group's performance and benefits for shareholders wealth, the board have regard to the following indices in respect of the current financial year and the previous four financial years.

	2008	2007
Net loss attributable to equity holders of the parent	\$ (348)	\$ (1,606)
Dividends paid	-	-
Change in share price	\$ (0.115)	\$ (0.035)

As the company is an explorer that has only recently begun to operate none of the key management personnel are on incentive remuneration.

Performance based remuneration

At present there is no performance-based component to executive or non-executive remuneration and no bonuses have been paid. However, performance of key management personnel will be reviewed annually.



Key Management Personnel Remuneration

Key Management Personnel		Options	Cash, Salary & Commissions	Superannuation	Total	Value of Options as Proportion of Remuneration %
John Leslie Goody	2008	-	\$177,944	\$37,989	\$215,933	-
	2007	\$900,000	\$2,500	\$225	\$902,725	99.7%
Richard Haren	2008	-	\$150,000	\$45,946	\$195,946	-
	2007	\$200,000	\$2,500	\$225	\$202,725	98.5%
Frank Reid Gardiner (appointed 11 July 2007)	2008	-	\$52,224	\$43,903	\$96,127	-
	2007	-	-	-	-	-
Robert Lawrence Barraket (resigned 20/09/07)	2008	-	\$10,900	-	\$10,900	-
	2007	\$25,000	\$2,500	\$225	\$27,725	90.2%
Jan Willem Van Der Veen (resigned 20/09/07)	2008	-	\$10,900	-	\$10,900	-
	2007	\$25,000	\$2,500	\$225	\$27,725	90.2%

Performance income as a proportion of total remuneration Nil

Options and rights holding

Directors	Number of options granted during 2007	Grant date	Fair value per option at grant date (\$)	Exercise price per option (\$)	Expiry date	Number of options vested during 2007
John Leslie Goody	18,000,000	30/01/2007	\$0.05	\$0.30	31/01/2010	18,000,000
Richard Haren	4,000,000	30/01/2007	\$0.05	\$0.30	31/01/2010	4,000,000
Frank Reid Gardiner	-	30/01/2007	\$0.05	\$0.30	31/01/2010	-
Robert Lawrence Barraket	500,000	30/01/2007	\$0.05	\$0.30	31/01/2010	500,000
Jan Willem Van Der Veen	500,000	30/01/2007	\$0.05	\$0.30	31/01/2010	500,000

directors' report (cont.)

The options hold no voting or dividends rights and are not transferable. No options have been granted in the current year or since the end of the financial year.

The options were provided at no cost to the recipients and cannot be exercised until 30 January 2009.

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

There has been no exercise of options granted as compensation during the period or the prior period.

All options granted in 2007 vested during the year and no options have been forfeited in the current year or since the end of the financial year.

Consulting Contract Commitments

John Goody and Richard Haren Consulting Contracts

Within one year - minimum commitment

Aussie Q Resources Limited has entered into Consultancy Agreements with Richard Haren and John Goody through their respective consultancy companies, Flatoak Pty Ltd and Goody Investments Pty Ltd.

The Consultancy Agreements commenced from the date of quotation of the entity's securities on the ASX and continues for a term of three years subject to termination provisions in the Agreement. The consultant may extend the duration of the Agreement by providing written notice to that effect.

Aussie Q Resources Limited will pay to the consultant a consultancy fee of \$150,000 per annum reviewed annually, in addition to a director's fee of \$30,000 per annum plus superannuation. In addition and subject to any necessary shareholder approvals, the consultant will be granted options. Subject to the discretion of the Board, if the consultant or the consulting company

terminates their engagements as consultant to the entity, any outstanding options which have not vested will immediately lapse and have no further force or effect.

The Consultant may terminate the Agreement at any time and for any reason by providing the entity three months' written notice. If the consultant terminates the Agreement, the entity may elect to pay the Consultant the equivalent of three months' fee and terminate the Agreement immediately.

The entity may terminate the Agreement immediately by serving written notice to the consultant and paying him the equivalent of six months' fee.

The entity may terminate the Agreement without payment by serving one months' notice to the Consultant if:

- i) The Consultancy Companies go into liquidation or make an arrangement with creditors or takes advantage of any statute for the relief of insolvent debtors
- ii) The Consultant commits any serious or persistent breach of any of the provisions contained in the Agreement and the breach is not remedied within 14 days of the receipt of written notice
- iii) In the reasonable opinion of the Board, the Consultant demonstrates incompetence in the performance of his duties under the Agreement
- iv) The Consultant is guilty of grave misconduct or wilful neglect in the discharge of his duties and the breach is not remedied within 28 days of the receipt of written notice from the entity.

The entity may terminate the Agreement immediately without payment if the consultant is convicted of a major criminal offence or discloses or misuses price sensitive information affecting the entity or a client without prior written consent, except where disclosure is required by law.

directors' report (cont.)

Meetings of Directors

During the financial period, ten meetings of directors were held. Attendances by each director during the period were as follows:

Directors' Meetings	No. attended	No. eligible to attend
John Leslie Goody	10	10
Richard Haren	10	10
Robert Lawrence Barraket	3	3
Jan Willem Van Der Veen	3	3
Frank Reid Gardiner	10	10

As well, four Audit Committee meetings were held, Frank Gardiner attended two and Richard Haren attended two.

Indemnifying Officers or Auditor

During or since the end of the financial period the entity has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums.

The entity has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the entity, other than conduct involving a willful breach of duty in relation to the entity. The amount of the premium was \$13,558 for all directors. The insurance is a single policy which covers all directors and officers of the entity.

Options

At the date of this report, the unissued ordinary shares of Aussie Q Resources Limited under option are as follows:

Grant Date	Date of expiry	Exercise price	Number under option	Fair value per option at grant date
30/01/2007	30/01/2010	\$0.30	30,000,000	\$0.05

Options cannot be exercised until 30 January 2009. No options have been granted since the end of the financial year. The options were provided at no cost to the recipients.

directors' report (cont.)

Proceedings on Behalf of Entity

No person has applied for leave of the Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the period.

Non-audit Services

During the period KPMG, the entity's auditor, did not perform other services in addition to their statutory duties.

Details of the amounts paid to the auditor of the entity, KPMG, and its related practices for audit services provided during the year are set out in Note 28 of the annual report.

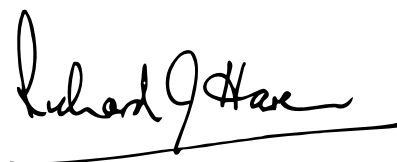
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 is set out on page 46 and forms part of the directors' report for the financial year ended 30 June 2008.

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors.

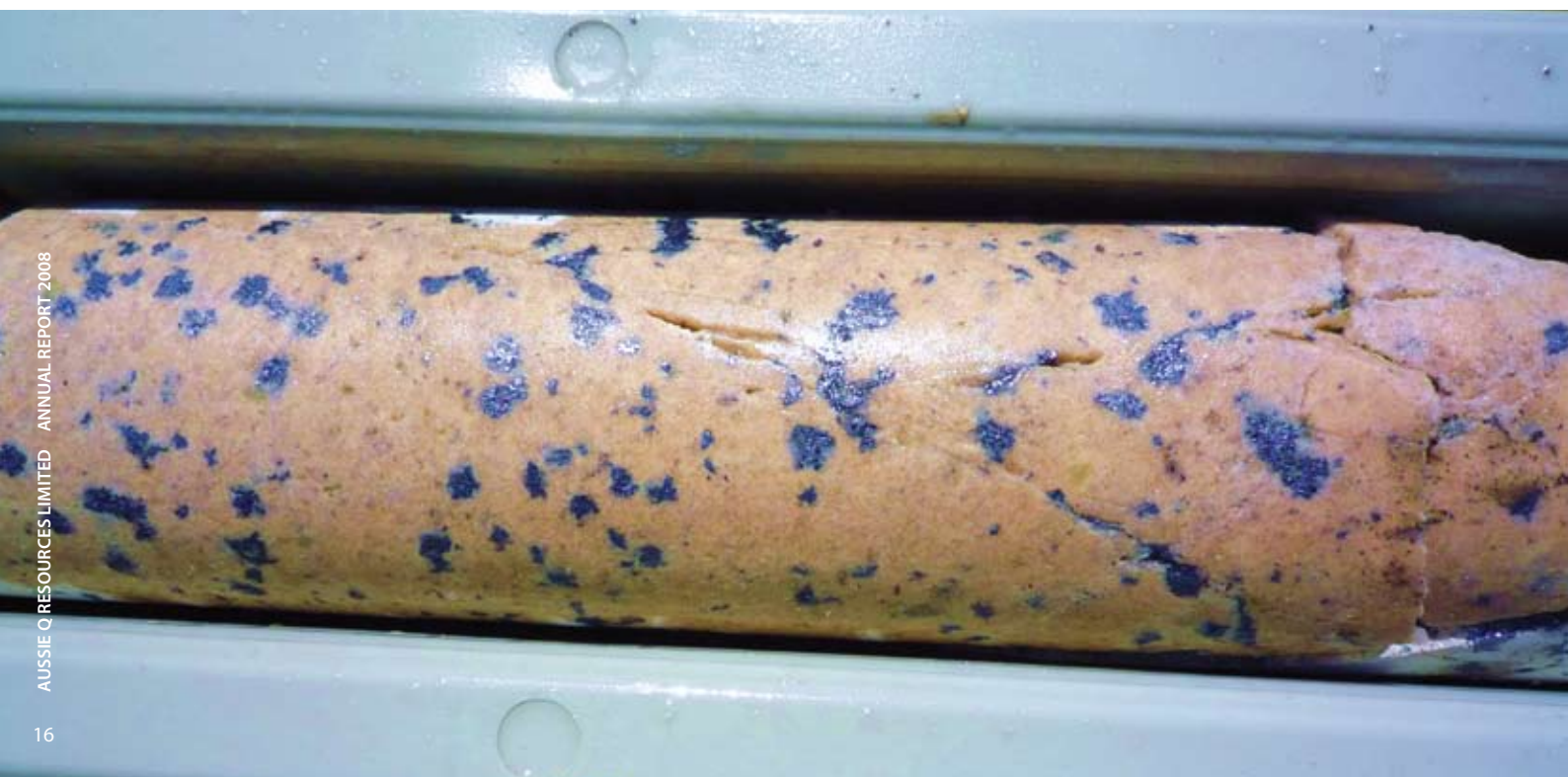


Dr Richard Haren
Director

Dated this 29th day of September 2008

Photo Below:

Gordon's Knob diamond drill core showing good visual molybdenum from Hole 83 at 270 metres depth.



balance sheet

as at 30 June 2008

In thousands of AUD

	Note	2008	2007
Assets			
Cash and cash equivalents	16	5,896	11,104
Trade and other receivables	15	471	135
Prepayments		33	35
Total current assets		6,400	11,274
Other investments	13	28	-
Property, plant and equipment	11	223	23
Other assets		23	11
Exploration & evaluation assets	12	10,286	6,095
Total non-current assets		10,560	6,129
Total assets		16,960	17,403
Liabilities			
Trade and other payables	22	133	184
Employee benefits	19	21	11
Total current liabilities		154	195
Total non-current liabilities		-	-
Total liabilities		154	195
Net assets		16,806	17,208
Equity			
Share capital	17	17,258	17,314
Reserves	17	1,502	1,500
Retained earnings /(accumulated losses)		(1,954)	(1,606)
Total equity		16,806	17,208

The notes on pages 21 to 42 are an integral part of these annual financial statements.

income statement

for the year ended 30 June 2008

In thousands of AUD

	Note	2008	2007
Revenue			
Other income	7	3	-
Administrative expenses		(637)	(122)
Other expenses	8	(295)	(1,512)
Results from operating activities		(929)	(1,634)
Finance income		581	28
Net finance income	9	581	28
Loss before income tax		(348)	(1,606)
Income tax expense	10	-	-
Loss for year		(348)	(1,606)
Earnings per share:			
Basic earnings / (loss) per share (AUD)	18	(0.29) cents	(3.55) cents
Diluted earnings / (loss) per share (AUD)	18	(0.29) cents	(3.55) cents

The notes on pages 21 to 42 are an integral part of these annual financial statements.

statement of changes in equity

for the year ended 30 June 2008



In thousands of AUD

	Note	Share Capital	Equity compensation reserve	Fair value reserve	Retained earnings	Total equity
Balance at 28 September 2006		-	-	-	-	-
Shares issued during the period		19,352	-	-	-	19,352
Transaction costs - share issues		(2,038)	-	-	-	(2,038)
Options issued during the period	17	-	1,500	-	-	1,500
Loss attributable to members of the entity		-	-	-	(1,606)	(1,606)
Balance at 30 June 2007		17,314	1,500	-	(1,606)	17,208
Balance at 1 July 2007		17,314	1,500	-	(1,606)	17,208
Transaction costs - share issues		(56)	-	-	-	(56)
Increase in value of Available for Sale Investment reserve	17	-	-	2	-	2
Loss attributable to members of the entity		-	-	-	(348)	(348)
Balance at 30 June 2008		17,258	1,500	2	(1,954)	16,806

The notes on pages 21 to 42 are an integral part of these annual financial statements.

statement of cash flows

for the year ended 30 June 2008

In thousands of AUD

In thousands of AUD	Note	Company	
		2008	2007
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,280)	(112)
Interest received		581	28
Net cash from (used in) operating activities	16b	(699)	(84)
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(224)	(23)
Payments for exploration activities		(4,203)	(253)
Acquisition of other investments		(26)	-
Net cash from (used in) investing activities		(4,453)	(276)
Cash flows from financing activities			
Proceeds from issue of share capital		-	12,502
Capital raising costs		(56)	(1,038)
Net cash from (used in) financing activities		(56)	11,464
Net increase (decrease) in cash and cash equivalents		(5,208)	11,104
Cash and cash equivalents at 1 July		11,104	-
Cash and cash equivalents at 30 June	16a	5,896	11,104

The notes on pages 21 to 42 are an integral part of these annual financial statements.

notes to the financial statements



Note 1 Reporting entity

Aussie Q Resources Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Level 1, 27-29 Crombie Avenue Bundall Qld 4217. The Company primarily is involved in prospect and tenement exploration.

Note 2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The annual financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 29 September 2008.

(b) Basis of measurement

The annual financial statements have been prepared on the historical cost basis except for the following:

available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These annual financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(e) Comparative period

The comparative period represents a shorter period from when the company was first incorporated on 28 September 2006. Accordingly the comparative figures do not reflect a full reporting year.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- note 14 - utilisation of tax losses
- note 20 - measurement of share-based payments
- note 23 - valuation of financial instruments

notes to the financial statements (cont.)

Note 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these annual financial statements. Certain comparative amounts have been reclassified to conform with the current years presentation.

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 3(h).

Available-for-sale financial assets

The Company's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(d)(i)), are recognised directly in a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

notes to the financial statements (cont.)



Note 3 Significant accounting policies (cont.)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The depreciation rates used for each class of depreciable assets are:

- plant and equipment 5% - 20%
- mining & exploration 5% - 50%
- computer equipment 20% - 40%
- motor vehicles 10% - 12.50%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(c) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the entity has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

(d) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit risk characteristics.

notes to the financial statements (cont.)

Note 3 Significant accounting policies (cont.)

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than exploration and evaluation assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee benefits

(i) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

notes to the financial statements (cont.)



Note 3 Significant accounting policies (cont.)

(iii) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Site restoration

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

(g) Lease payments

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

(h) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

notes to the financial statements (cont.)

Note 3 Significant accounting policies (cont.)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Tax consolidation

On 15 December 2006 Aussie Q Resources Limited became a wholly owned subsidiary of Goody Investments Pty Ltd and on 1 January 2007 Aussie Q Resources Limited and Goody Investments Pty Ltd chose to become a consolidated group for income tax purposes under the New Business Tax System (Consolidation) Act No.1 2002 and Income Tax Assessment Act 1997. The head entity of the Consolidated Group was Goody Investments Pty Ltd.

The Consolidated Group was deconsolidated on 2 January 2007 as a result of the issue of shares by Aussie Q Resources Limited to a third party. There was no tax liability and therefore no contribution amount payable when Aussie Q Resources Limited left the Consolidated Group.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax - consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the entity as an equity contribution or distribution.

The entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing arrangements

On 1 January 2007 the entity entered into a tax funding agreement with Goody Investments Pty Ltd whereby the entity may be required to contribute to Goody Investments Pty Ltd's tax liability in regards to the Consolidated Group, and to minimise the impact of tax consolidation for the Consolidated Group. The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivable/(payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

On 1 January 2007 the entity also entered into a tax sharing agreement with Goody Investments Pty Ltd whereby the entity, as a member of the group, is liable for contributions to the tax liability of the Consolidated Group. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should Goody Investments Pty Ltd default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

There are no tax liabilities for the entity arising from the period of time it related to a Consolidated Group.

notes to the financial statements (cont.)

Note 3 Significant accounting policies (cont.)

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(l) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- Revised AASB 3 *Business Combinations* changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutuals. The revised standard becomes mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's financial report.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Company's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business and geographical segments (see note 6). The company has not yet determined the potential effect of the revised standard on the company's financial report.
- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's disclosures.
- Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Company's 30 June 2010 financial statements and will constitute a change in accounting policy for the Company. In accordance with the transitional provisions the Company will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. The Company has not yet determined the potential effect of the revised standard on future earnings.

notes to the financial statements (cont.)

Note 3 Significant accounting policies (cont.)

- Revised AASB 127 *Consolidated and Separate Financial Statements* changes the accounting for investments in subsidiaries. Key changes include: the remeasurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's financial report.
- AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payment: Vesting Conditions and Cancellations* changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 becomes mandatory for the Company's 30 June 2010 financial statements. The Company has not yet determined the potential effect of the amending standard on the Company's financial report.
- AI 12 *Service Concession Arrangements* provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. AI 12, which becomes mandatory for the Company's 30 June 2009 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company's financial report.

Note 4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investments in equity and debt securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

(b) Share based payment transactions

The fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

Note 5 Financial risk management

The entity's financial instruments consist mainly of deposits with banks.

(i) Treasury Risk Management

The company has no exposure to currency fluctuations and considers its exposure to interest rate risk as minimal.

(ii) Financial Risks

The main risk the entity is exposed to through its financial instruments is liquidity risk.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash in operating accounts is maintained.

Credit risk

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

(iii) Capital management

The board's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence. Expenditure is budgeted and reviewed to ensure that there is sufficient capital to meet all expenditure commitments. The directors intend to raise additional equity funding when required.

notes to the financial statements (cont.)



Note 6 Segment reporting

Aussie Q Resources Limited forms a single business performing exploration activities. Aussie Q Resources Limited operates in one geographical segment, being Queensland.

Note 7 Other income

In thousands of AUD

	2008	2007
Equipment hire	3	-
	3	-

Note 8 Other expenses

In thousands of AUD

	2008	2007
Share based payments	-	(1,500)
Employee benefits expenses	(295)	(11)
Other expenses	-	(1)
	(295)	(1,512)

Note 9 Finance income and expense

Recognised in profit or loss

In thousands of AUD

	2008	2007
Interest income on bank deposits	581	28
Finance income	581	28

Recognised directly in equity

In thousands of AUD

	2008	2007
Net change in fair value of available-for-sale financial assets	2	-
Finance income recognised directly in equity, net of tax	2	-
Recognised in:		
Fair value reserve	2	-
	2	-

notes to the financial statements (cont.)

Note 10 Income tax expense

In thousands of AUD

Current tax expense

Current period

Deferred tax expense

Total income tax expense

	2008	2007
	-	-
	-	-
	-	-

Numerical reconciliation between tax expense and pre-tax accounting profit

In thousands of AUD

Loss for the period

Loss excluding income tax

Income tax using the Company's domestic tax rate of 30% (2007: 30%)

Entertainment (non-deductible)

Option Amortisation (non-deductible)

Current year losses for which no deferred tax asset is recognised

	2008	2007
	(348)	(1,606)
	(348)	(1,606)
	(104)	(482)
	-	1
	-	450
	104	31
	-	-

Note 11 Property, plant and equipment

In thousands of AUD

Cost or deemed cost

Balance at 28 September 2006

Additions

Balance at 30 June 2007

Balance at 1 July 2007

Other additions

Balance at 30 June 2008

	Computer Equipment	Mining and Exploration equipment	Plant & Equipment	Motor Vehicles	Total
	-	-	-	-	-
	7	14	3	-	24
	7	14	3	-	24
	7	14	3	-	24
	21	112	2	89	224
	28	126	5	89	248

notes to the financial statements (cont.)

Note 11 Property, plant and equipment (cont.)

In thousands of AUD

Depreciation and impairment losses

	Computer Equipment	Mining and Exploration equipment	Plant & Equipment	Motor Vehicles	Total
Balance at 28 September 2006	-	-	-	-	-
Depreciation for the year	-	(1)	-	-	(1)
Balance at 30 June 2007	-	(1)	-	-	(1)
Balance at 1 July 2007	-	(1)	-	-	(1)
Depreciation for the year	(8)	(8)	(1)	(7)	(24)
Balance at 30 June 2008	(8)	(9)	(1)	(7)	(25)

In thousands of AUD

Carrying amounts

	Computer Equipment	Mining and Exploration equipment	Plant & Equipment	Motor Vehicles	Total
At 28 September 2006	-	-	-	-	-
At 30 June 2007	7	13	3	-	23
At 1 July 2007	7	13	3	-	23
At 30 June 2008	20	117	4	82	223

Note 12 Exploration and evaluation assets

In thousands of AUD

Exploration expenditure capitalised

- Exploration and evaluation areas of interest

	2008	2007
	10,286	6,095
	10,286	6,095

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of porphyry copper/molybdenum mineralisation. Capitalised costs for the year amounting to \$4,203,050 (2007 \$252,719) have been included in cash flows from investing activities in the cash flow statement.

Note 13 Other investments

In thousands of AUD

Non-current investments

Available-for-sale financial assets

	2008	2007
	28	-
	28	-

notes to the financial statements (cont.)

Note 13 Other investments (cont.)

Sensitivity analysis - equity price risk (market risk)

All of the Group's equity investments are listed on the Australian Securities Exchange. For such investments classified as available-for-sale, a 5 percent increase in the ASX 200 at the reporting date would have increased equity by \$1 thousand after tax (2007: an increase of \$0 thousand); an equal change in the opposite direction would have decreased equity by \$1 thousand after tax (2007: a decrease of \$0 thousand).

Note 14 Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

In thousands of AUD

Deductible temporary differences

Tax losses

	2008	2007
Deductible temporary differences	382	489
Tax losses	383	154
	765	643

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Note 15 Trade and other receivables

In thousands of AUD

Current

Other trade receivables

GST receivable

	2008	2007
Other trade receivables	10	-
GST receivable	461	135
	471	135

Note 16a Cash and cash equivalents

In thousands of AUD

Bank balances

Cash and cash equivalents in the statement of cash flows

	2008	2007
Bank balances	5,896	11,104
Cash and cash equivalents in the statement of cash flows	5,896	11,104

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

notes to the financial statements (cont.)

Note 16b Reconciliation of cash flows from operating activities

In thousands of AUD

Cash flows from operating activities

	Note	2008	2007
Loss for the period		(348)	(1,606)
Adjustments for:			
Share-based payment transactions	20	-	1,500
Depreciation	11	24	1
Operating profit before changes in working capital and provisions		(324)	(105)
Change in Rental Bond		-	(3)
Change in trade and other receivables	15	(337)	(135)
Change in trade and other payables and accruals	22	(51)	183
Change in prepayments		2	(35)
Change in provisions and employee benefits	21,19	11	11
Net cash from operating activities		(699)	(84)

Note 17 Capital and reserves

Share capital

	No. of Ordinary Shares	
	2008	2007
On issue at 1 July	120,166,663	-
Issued for cash	-	77,166,666
Issue for transfer of mining tenements	-	38,999,997
Issued of underwriting services		4,000,000
On issue at 30 June - fully paid	120,166,663	120,166,663

The Company does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Equity compensation reserve

The equity compensation reserve records the fair value of options issued (refer to note 20).

notes to the financial statements (cont.)

Note 18 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2008 was based on the loss attributable to ordinary shareholders of \$348 thousand (2007: \$1,606 thousand) and a weighted average number of ordinary shares outstanding of 120,167 thousand (2007: 45,225 thousand), calculated as follows:

Loss attributable to ordinary shareholders

In thousands of AUD

Loss attributable to ordinary shareholders (basic)
Loss attributable to ordinary shareholders (diluted)

2008	2007
(348)	(1,606)
(348)	(1,606)

Weighted average number of ordinary shares

Issued ordinary shares at 1 July

Weighted average number of ordinary shares at 30 June

2008	2007
120,166,663	-
120,166,663	45,224,637

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2008 was based on loss attributable to ordinary shareholders of \$348 thousand (2007: \$1,606 thousand) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares calculated as follows:

Loss attributable to ordinary shareholders (diluted)

In thousands of AUD

Loss attributable to ordinary shareholders (basic)
Loss attributable to ordinary shareholders (diluted)

2008	2007
(348)	(1,606)
(348)	(1,606)

Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares (basic)

Effect of share options on issue

Weighted average number of ordinary shares (diluted) at 30 June

Note	2008	2007
	120,166,163	45,224,637
20	-	-
	120,166,163	45,224,637

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

notes to the financial statements (cont.)

Note 19 Employee benefits

Current

In thousands of AUD

Salaries and wages accrued
Liability for long service leave
Liability for annual leave
Total employee benefits - current

2008	2007
17	11
-	-
4	-
21	11

Note 20 Share-based payments

On 30 January 2007, 30,000,000 share options were granted for ordinary shares at an exercise price of 30 cents. The options are able to be exercised 2 years after grant date and expire on 30 January 2010. The options hold no voting or dividend rights and are not transferable. At balance date, no share option has been exercised.

23,000,000 options were granted to key management personnel.

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2008	2008	2007	2007
Outstanding at 1 July	0.30	30,000,000		-
Granted during the period		-	0.30	30,000,000
Outstanding at 30 June	0.30	30,000,000	0.30	30,000,000
Exercisable at 30 June	0.30	30,000,000	0.30	30,000,000

There were no options exercised during the year ended 30 June 2008.

The options outstanding at 30 June 2008 had a weighted average exercise price of \$0.30 and a weighted average remaining contractual life of two years. Exercise prices is \$0.30 in respect of options outstanding at 30 June 2008.

The fair value of options granted was \$0.05 each.

This price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	30 cents
Weighted average life of the option	3 years
Underlying share price	15 cents
Expected share price volatility	71%
Risk free interest rate	6.1%

The expected share price volatility of 71% has been calculated by annualising the AGSM average standard deviation of returns for metal and mining stock with a market capitalisation of approximately \$30 million.

notes to the financial statements (cont.)

Note 21 Provisions

Site restoration

No provision was made during the year ended 30 June 2008 in respect of the Company's obligation to rectify environmental damage. The required work is completed throughout the year on an ongoing basis.

Note 22 Trade and other payables

In thousands of AUD

Other trade payables

Non-trade payables and accrued expenses

Company	
2008	2007
80	62
53	122
133	184

Note 23 Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

In thousands of AUD

Cash & cash equivalents

Trade and other receivables

Carrying amount		
Note	2008	2007
16a	5,896	11,104
15	471	135
	6,367	11,239

The Company's maximum exposure to credit risk at the reporting date \$5,896 thousand (2007: \$11,104) for cash & cash equivalents \$471 thousand (2007: \$135) trade receivables, totalling \$6,367 thousand (2007: \$11,239). There were no past due debtors at 30 June 2008.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

In thousands of AUD

Fixed rate instruments

Financial assets

Variable rate instruments

Financial assets

Note	2008	2007
16a	4,500	-
	4,500	-
16a	1,396	11,104
	1,396	11,104

notes to the financial statements (cont.)

Note 23 Financial instruments (cont.)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
<i>Effect in thousands of AUD</i>				
30 June 2008				
Variable rate instruments	5	(5)	-	-
Cash flow sensitivity (net)	5	(5)	-	-
30 June 2007				
Variable rate instruments	3	(3)	-	-
Cash flow sensitivity (net)	3	(3)	-	-

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>In thousands of AUD</i>				
Available-for-sale financial assets	28	28	-	-
Trade and other receivables	471	471	135	135
Cash and cash equivalents	5,896	5,896	11,104	11,104
Trade and other payables	(133)	(133)	(184)	(184)
	6,262	6,262	11,055	11,055

Note 24 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2008	2007
<i>In thousands of AUD</i>		
Less than one year	22	21
Between one and five years	-	-
More than five years	-	-
	22	21

notes to the financial statements (cont.)

Note 24 Operating leases (cont.)

The entity leases a premise under an operating lease. The lease runs for a period of one year, with an option to renew the lease after that date. The premise lease was entered into on 14 February 2008 and the rental payment is \$3,025 per month. To determine the operating lease classification, the entity considered that the land title did not pass, the rent paid to the landlord for the building is increased to market rent at regular intervals, and the entity does not participate in the residual value of the building. Accordingly, it was judged that substantially all the risks and rewards of the building are with the landlord. Based on these qualitative factors it was concluded that the leases are operating leases.

Note 25 Capital and other commitments

In thousands of AUD

Geologist contract commitments

Chief geologist contract

Commitments under non-cancellable employment contracts not provided for in the financial statements and payable:

	2008	2007
Within one year	-	34
One year or later and no later than five years	-	-
Later than five years	-	-
	-	34

Exploration commitments

EPM security contracts

Commitments under non-mining tenements with the Queensland government:

Within one year	532	245
One year or later and no later than five years	1,491	46
Later than five years	-	-
	2,023	291

Note 26 Related parties

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key management personnel

	Position
John Leslie Goody (appointed 28/09/06)	Director
Robert Lawrence Barraket (appointed 6/03/07 & resigned 20/09/07)	Director
Richard Haren (appointed 28/09/06)	Director
Frank Reid Gardiner (appointed 11/07/07)	Director
Jan Willem Van Der Veen (appointed 7/03/07 & resigned 20/09/07)	Director

notes to the financial statements (cont.)

Note 26 Related parties (cont.)

Key management personnel compensation

The key management personnel compensation included in 'share based payments' and 'employee benefits expenses' (see note 8) is as follows

<i>In AUD</i>	Company	
	2008	2007
Short-term employee benefits	401,968	10,000
Other long term benefits	-	-
Post-employment benefits	127,838	900
Termination benefits	-	-
Share-based payments	-	1,150,000
	529,806	1,160,900

\$229,326 of the short-term employee benefits was capitalised to the exploration and evaluation assets during the reporting period and \$90,296 was classified as consultancy fees and included as an administrative expense.

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 6 to 16.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Other key management personnel transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

notes to the financial statements (cont.)

Note 26 Related parties (cont.)

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

			Transactions value year ended 30 June		Balance outstanding as at 30 June	
<i>In AUD</i>		Note	2008	2007	2008	2007
Key management person and their related parties	Transaction					
John Leslie Goody - Goody Investments Pty Ltd	Rawbelle Tenements	(i)	-	5,850,000	-	-

- (i) On 2 January 2007, Aussie Q Resources Limited issued 38,999,997 Ordinary shares to Goody Investments Pty Ltd in consideration for the transfer of the Rawbelle Tenements pursuant to a sale agreement. The value per share of the consideration shares issued and included in the balance sheet as at 30 June 2007 was 15 cents per share.

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Aussie Q Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2007	Granted as compensation	Exercised	Other changes*	Held at 30 June 2008	Vested during the year	Vested at 30 June 2008*
Directors							
John Leslie Goody	18,000,000	-	-	-	18,000,000	-	18,000,000
Richard Haren	4,000,000	-	-	-	4,000,000	-	4,000,000
Robert Lawrence Barraket	500,000	-	-	-	500,000	-	500,000
Jan Willem Van Der Veen	500,000	-	-	-	500,000	-	500,000
Frank Reid Gardiner	-	-	-	-	-	-	-

*all options are exercisable from 30 January 2009.

	Held at 28 Sept 2008	Granted as compensation	Exercised	Other changes*	Held at 30 June 2007	Vested during the year	Vested at 30 June 2007*
Directors							
John Leslie Goody	-	18,000,000	-	-	18,000,000	18,000,000	18,000,000
Richard Haren	-	4,000,000	-	-	4,000,000	4,000,000	4,000,000
Robert Lawrence Barraket	-	500,000	-	-	500,000	500,000	500,000
Jan Willem Van Der Veen	-	500,000	-	-	500,000	500,000	500,000
Frank Reid Gardiner	-	-	-	-	-	-	-

*all options are exercisable from 30 January 2009.

notes to the financial statements (cont.)

Note 26 Related parties (cont.)

Movements in shares

The movement during the reporting period in the number of ordinary shares in Aussie Q Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows

	Held at 1 July 2007	Purchases	Received on exercise of options	Sales	Held at 30 June 2008
Directors					
John Leslie Goody	36,000,000	245,000	-	-	36,245,000
Richard Haren	3,000,000	-	-	-	3,000,000
Robert Lawrence Barraket	1,500,000	-	-	-	1,500,000
Jan Willem Van Der Veen	200,000	-	-	-	200,000
Frank Reid Gardiner	-	-	-	-	-

No shares were granted to key management personnel during the reporting period as compensation in 2007 or 2008. No shares were held by related parties of key management personnel.

	Held at 28 September 2006	Purchases	Received on exercise of options	Sales	Held at 30 June 2007
Directors					
John Leslie Goody	-	36,000,000	-	-	36,000,000
Richard Haren	-	3,000,000	-	-	3,000,000
Robert Lawrence Barraket	-	1,500,000	-	-	1,500,000
Jan Willem Van Der Veen	-	200,000	-	-	200,000
Frank Reid Gardiner	-	-	-	-	-

Company Secretary Contract Commitments

Within one year - minimum commitment

Aussie Q Resources Limited will pay to the consultant for his services a consulting fee of \$3,000 per month and to the extent that the consultant provides services in excess of 10 hours in any month, such excess hours will be remunerated at the rate of \$300 per hour.

The entity may at its sole discretion immediately terminate the engagement without payment if at any time the consultant makes a composition or arrangement with creditors generally or takes advantage of any statute for the relief of insolvent debtors or if at any time the consultant:

- is convicted of any major criminal offence which brings the consultant or the entity or any of its related bodies corporate into disrepute.
- commits any serious or persistent breach of any of the provisions contained in the Agreement and the breach is not remedied within 14 days of the receipt of written notice from the entity to the consultant to do so.
- in the reasonable opinion of the Board, is absent in, or demonstrates incompetence with regard to the performance of his duties under this Agreement, or is neglectful of his duties under this Agreement, or otherwise does not perform his duties under this Agreement in satisfactory manner.

notes to the financial statements (cont.)

Note 26 Related parties (cont.)

- iv) is guilty of any grave misconduct or wilful neglect in the discharge of his duties and the breach is not remedied within 28 days of the receipt of written notice from the entity to the consultant to do so.
- v) is of unsound mind or under the control of a committee or officer under any law relating to mental health.

If the entity or consultant wishes to terminate the Agreement either one must give at least three months written notice. The entity may elect to pay the consultant the equivalent of three months' fees and terminate the Agreement immediately.

Note 27 Subsequent event

There are no events that occurred subsequent to 30 June 2008. No provision has been necessary in the financial statements.

Note 28 Auditors' remuneration

In AUD

Audit services

Auditors of the Company

KPMG Australia:

Audit and review of financial reports

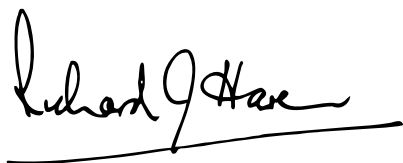
Review of pro forma balance sheet & accompanying notes to the prospectus

Company	
2008	2007
35,597	20,000
-	12,935
35,597	32,935

directors' declaration

- 1 In the opinion of the directors of Aussie Q Resources Limited ('the Company'):
 - (a) the financial statements and notes set out on pages 17 to 42, and the Remuneration report in the Directors' report, set out on pages 6 to 16, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);
 - (c) the remuneration disclosures that are contained in the remuneration report in the Directors' report comply with Australian Accounting Standard AASB124 *Related Party Disclosures*, the Corporations Act 2001 and the corporations regulations; and
 - (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer for the financial year ended 30 June 2008.

Signed in accordance with a resolution of the directors:



Dr Richard Haren
Director

Dated this 29th day of September 2008.

independent auditor's report to the members



Independent auditor's report to the members of Aussie Q Resources Ltd

Report on the financial report

We have audited the accompanying financial report of Aussie Q Resources Ltd (the Company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 28 and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

independent auditor's report to the members (cont.)

Auditor's opinion

In our opinion:

- (a) the financial report of Aussie Q Resources Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 6 to 16 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Aussie Q Resources Ltd for the year ended 30 June 2008, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Stephen Board
Partner

Gold Coast

29 September 2008

lead auditor's independence declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Aussie Q Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Stephen Board
Partner
Gold Coast
29 September 2008

asx additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The Company confirms that since admission to the ASX it has used its cash resources consistent with its business objectives as set out in its Prospectus dated 21 March 2007.

Shareholdings (as at 22 September 2008)

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
Goody Investments Pty Ltd	36,245,000
Captain Starlight Nominees Pty Ltd	23,133,333

Voting rights

Ordinary shares

One vote per member on a show of hands and one vote per share on a poll.

Options

There are no voting rights attached to the options.

Distribution of equity security holders

Category	Ordinary shares	Options
1 - 1,000	3	-
1,001 - 5,000	38	-
5,001 - 10,000	123	-
10,001 - 100,000	332	1
100,001 and over	87	10
Totals	583	11

The number of shareholders holding less than a marketable parcel of ordinary shares is forty five.

Securities Exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Brisbane.

Other information

Aussie Q Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Restricted Securities

The following securities are not quoted and are classified as restricted securities for the periods as follows:

Class	Number	Holders	Restriction End Date
Fully paid ordinary shares	68,833,330	9	14 June 2009
Options exercisable at \$0.30	29,000,000	7	14 June 2009

asx additional information (cont.)

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
GOODY INVESTMENTS PTY LTD	36,245,000	30.16
CAPTAIN STARLIGHT NOMINEES PTY LTD	23,133,333	19.25
MCNEIL NOMINEES PTY LIMITED	5,080,000	4.23
J & O INVESTMENTS PTY LTD	4,000,000	3.33
R J HAREN & S M HAREN as Trustees for R & S HAREN SUPER FUND A/C	3,000,000	2.50
MORSEL NOMINEES PTY LIMITED	2,615,000	2.18
SECURITIES & INVESTMENT GROUP PTY LTD	2,500,000	2.08
MR HOWARD HILTON & KATHRINE ANN BRISCOE as Trustees for HILTON SUPER FUND A/C	1,399,896	1.16
LITHO ART PTY LTD	1,301,156	1.08
FIREFISH INVESTMENTS PTY LTD as Trustee for SUPER FUND A/C	1,300,000	1.08
CAPTAIN STARLIGHT NOMINEES PTY LTD as Trustee for BOB BARRAKET A/C	1,000,000	0.83
MRS BAOXIAN JI	920,000	0.77
LAY KEE TAY	814,800	0.68
ARCHEM TRADING NZ LIMITED	800,000	0.67
JING ZE LI	666,666	0.55
SHARECHART PTY LTD as Trustee for SUPER FUND A/C	650,000	0.54
MR PAUL JONATHAN NUSKE	612,065	0.51
SOUND GENESIS PTY LTD	602,275	0.50
BRUCE BIRNIE PTY LTD	600,000	0.50
PANTS INVESTMENTS PTY LTD	600,000	0.50
TOTALS	87,840,191	73.10

On-market buy-back

There is no current on-market buy-back.

Offices and officers

Company Secretary

Stephen Lonergan, (LLB,LLM)

Principal Registered Office

Aussie Q Resources Limited
Level 1,
27-29 Crombie Avenue
Bundall Qld 4217
Ph: 07 5574 3830
Fax: 07 5574 3568

Locations of Share Registries

Computershare Investor Services Pty Ltd
Level 19, 307 Queen Street
GPO Box 523
Brisbane Qld 4000
Ph: 07 3237 2100
Fax: 07 3237 2152

As at 22 September 2008 the Company held the following interests in mining tenements

Tenement	Location	Percentage interest held
EPM 14627	Northwest of Eisdvold, Qld.	100%
EPM 14628	Northwest of Monto, Qld	100%
EPM 15919	Northwest of Eisdvold, Qld	100%
EPMA 15920	Northwest of Monto, Qld	100% (held in trust yet to be assigned)
EPM 15921	Northwest of Monto, Qld	100%
EPM 15922	Northwest of Monto, Qld	100%
EPM 17001	Northwest of Monto, Qld	100%
EPM 17002	Northwest of Monto, Qld	100%
EPMA 17060	Northwest of Monto, Qld	100%

corporate governance statement

This disclosure is made with reference to the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in August 2007. ("the Principles"). Disclosure against the Principles is not mandatory until the 2008/9 financial year but companies have been encouraged to report against the Principles before then. The Company has elected to report against the Principles immediately.

By way of background, the Company currently has only one independent Director (Mr Frank Gardiner) and two non-independent executive Directors (Messrs Haren and Goody). The Company has 3 employees and its sole business activity is the exploration of 9 Permits in the region west of Monto, Queensland. The priority of the Board since ASX listing in June 2007 has been to initiate and manage the exploration activities committed to in the Company's Prospectus.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Principles. As the Company's activities develop in size, nature and scope, further consideration will be given by the Board to the implementation of additional corporate governance structures.

Principle	Aussie Q Resources Limited current practice
1.1 Formalise and disclose functions reserved to the Board and those delegated to management.	Satisfied. Board charter is available at www.aussieqresources.com.au
1.2 Disclose the process of evaluating the performance of senior executives.	Not satisfied. The only senior executives are the two executive Directors and evaluation has been done by the Chairman as part of the evaluation of the members of the Board.
1.3 Disclose whether performance evaluation of senior executives has taken place in accordance with the disclosed process.	Performance evaluation has been carried out.
2.1 A majority of the board should be independent directors.	Not satisfied. Currently there is one independent director and two executive directors. The Board has deferred any new appointments pending the results of exploration work. Results may justify starting feasibility/development work in which case a particular set of skill sets will be needed by the Board.
2.2 The chairperson should be an independent director.	Satisfied. The chairperson of the Board is an independent director.
2.3 Roles of chairperson and CEO should not be exercised by same person.	Satisfied. The chairperson of the Board is a non-executive director.
2.4 The board should establish a nomination committee.	Not satisfied. The Board considers that given the current size of the board, this function is efficiently achieved with full board participation. Accordingly, the Board has resolved not to establish a nomination committee at this stage.
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual Directors.	The Chairman has evaluated the performance of the executive Directors and an evaluation of the performance of the Chairman is pending.

corporate governance statement (cont.)

Principle	Aussie Q Resources Limited current practice
2.6 Companies should provide the information about the board specified in the reporting guide to Principle 2.	The skills and period in office of each Director are set out in this Annual Report and Mr Gardiner has been identified as the only independent director. The Board has agreed that any Director may take independent professional advice at the expense of the Company after consultation with the Chairman. No policy on the selection/nomination of new Directors has been adopted.
3.1 Establish a code of conduct.	Satisfied. Code of conduct is available at www.aussieqresources.com.au
3.2 Disclose policy concerning trading in company's securities by directors, senior executives and employees.	Satisfied. Trading in securities policy is available at www.aussieqresources.com.au
3.3 Report and disclose matters referred to in Principles 3.1 and 3.2.	Satisfied. Available at www.aussieqresources.com.au
4.1 The board should establish an audit committee.	An audit committee has been established
4.2 Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors, the chairperson is independent and not the chair of the board and it has at least three members.	Not satisfied. The audit committee consists of the Chairman, the CEO and the auditor and does not have a majority of independent Directors nor does it consist solely of non executive Directors.
4.3 The audit committee should have a formal charter.	Satisfied. Available at www.aussieqresources.com.au
4.4 Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report.	The audit committee consists of the Chairman, the CEO and the auditor and it held 2 meetings during the 2007/8 year.
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior management level for that compliance.	Satisfied. Continuous disclosure policy is available at www.aussieqresources.com.au
5.2 Post 5.1 on website and disclosure any departures.	Satisfied. Refer 5.1
6.1 Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Satisfied. Communications with shareholders policy is available at www.aussieqresources.com.au
6.2 Companies should use their websites to provide information, including webcasting, press releases and shareholder information by email.	The Company maintains a website and posts all information on it.
7.1 The board or appropriate board committee should establish policies on risk oversight and management and disclose a summary of those policies.	Satisfied. The risk management program is available at www.aussieqresources.com.au

corporate governance statement (cont.)

Principle	Aussie Q Resources Limited current practice
7.2 The Board should require management to design, implement and report against a risk management and control system.	Given the small size of the Company and its limited activities this has not been implemented.
7.3 The Board should disclose whether it has received assurance from the CEO in terms that the declaration under Section 295A of the Corporations Act is founded a sound system of risk management and an effective system of identifying financial reporting risks.	Satisfied. The CEO provides an assurance to this effect to the Board.
7.4 Information specified in the guide on Principle 7 should be provided.	Satisfied to the extent of the disclosures above.
8.1 The Board should establish a Remuneration Committee.	Not satisfied. The board considers given the current simplicity of the company that this function can best be discharged by the Board.
8.2 Clearly distinguish the structure of non executive director remuneration from that of executive directors and senior executives particularly with respect to equity based and other incentive remuneration.	Non executive and executive remuneration structures are clearly distinguished except that, subject to shareholder approval, 2 million, 5 year 20 cent options will be issued to each Director following the 2008 AGM.
8.3 Information specified in the guide on Principle 8 should be provided.	The remuneration of the one non executive Director meets the guidelines other than with respect to the issue of options referred to above.

corporate directory

Directors

Frank Gardiner (Non Executive Chairman)

John Goody (Executive Director)

Richard Haren (Executive Director)

Company Secretary

Stephen Lonergan, (LLB, LLM)

Principal Registered Office

Aussie Q Resources Limited

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Web: www.aussieqresources.com.au

Email: admin@aussieqresources.com.au

ASX Code: AQR

Locations of Share Registries

Brisbane

Computershare Investor Services Pty Ltd

Level 19, 307 Queen Street

Brisbane Qld 4000

Ph: 07 3237 2100

Independent Geologists

SRK Consulting

Level 2, 44 Market Street

Sydney NSW 2000

Ph: 02 8079 1200

Accountants

Moore Stephens

Level 25, 71 Eagle Street

Brisbane Qld 4000

Ph: 07 3317 7877

Auditors

KPMG

Level 11, Corporate Centre One

Cnr Bundall & Slatyer Avenue

Bundall Qld 4217

Ph: 07 5577 7555

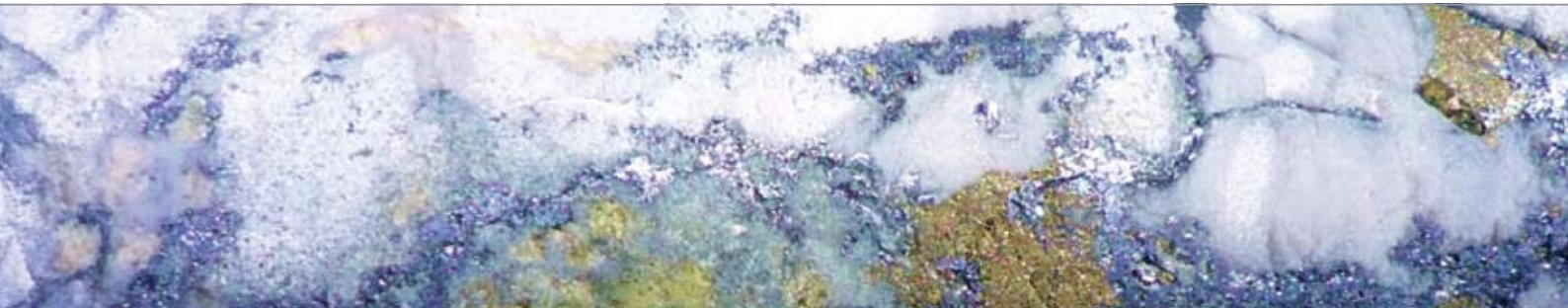
Tenement Manager

Environmental & Licensing Professionals Pty Ltd

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www.aussieqresources.com

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