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Aussie Q Resources Limited
31 December 2008
Interim Financial Report

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by AQR during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Aussie Q Resources Limited

Directors' report

The directors present their report together with the financial report for the six months ended 31 December 2008 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

<i>Name</i>	<i>Period of directorship</i>
Non-executive Mr Frank Reid Gardiner Chairperson Non-Executive Director	Appointed 11 July 2007
Dr Richard Haren Non-Executive Director	Appointed 28 September 2006 Resigned as CEO 31 December 2008 Non-Executive Director from 31 December 2008
Mr Edgar George Newman Non-Executive Director	Appointed 31 December 2008
Executive Mr John Leslie Goody Executive Director	Appointed 28 September 2006

Review of operations

Exploration

The Company continued its exploration at the Rawbelle Project in Queensland which is approximately 30 kms to the west of Monto in southern Queensland. Monto is a town of 1,500 people around 110 kms south of Gladstone, a deep water port.

There are now seven contiguous Exploration Permits (EPMs) and Applications (EPMA) - EPMs 14628, 15921, 15922, 17001 & 17002 and EPMA 15920 & 17060 west of Monto, and two contiguous EPMA, namely EPM 14627 & 15919 situated approximately 20 kms to the south of the first group. All EPMA are 100% held by the Company.

These EPMA host a number of prospective areas or prospects called Whitewash, Juicy Fruit, Juicy Fruit South, Gordon's Knob, Noddy's Creek, Kiwi Carpet, Kildare, Trevethan, Bulls Eye, Anomaly 7B, 7B West and Brumby Creek. The Company has ranked these prospects as future development, advanced and grass roots depending on the amount of work done on them.

During the reporting period the exploration focus and drilling moved from the Whitewash Project Area to the adjacent and contiguous prospective area entitled Gordons (formerly referred to as Gordon's Knob). During this transition from Whitewash and on 25 September 2008, the Company was pleased to announce its maiden Mineral Resource Statement for the Whitewash Project Area prepared by the independent company, SRK Consulting Pty. Ltd.

Aussie Q Resources Limited

Directors' report (continued)

Review of operations (continued)

This Statement, detailing an inferred resource of 68.5 million tonnes grading 0.033% Mo, 0.10% Cu and 1.2 g/t Ag, represents a major performance benchmark.

The Resource Statement has established a substantial base on which the Company's professional and technical team can continue to build.

In the Statement it was made clear that the Resource calculated was in respect only of the Whitewash Prospect (our initial drilling target) and did not take into account subsequent drilling at Gordons. This subsequent drilling has intersected what appears to be significant high grade mineralisation. All the drilling results from Gordons have been announced to the ASX with the assays of the last 5 holes being reported on 20 January 2009.

The results of this second drilling program, i.e. Gordons, have significantly enhanced the exploration program.

The Company's future exploration and development will include:-

- a) Review of all geological data, including drilling on Gordons and Whitewash following a structural review by a world renowned expert in this field. This review has generated a conceptual model of the Gordons and greater Whitewash area and a program of gravity and magnetic data is being structured to prioritise other targets using the signatures from Gordons and Whitewash.
- b) Review of the original Resource calculation which was in respect only of the Whitewash prospect (our initial drilling target) in the light of the subsequent drilling at Gordons where significant high grade mineralised zones were intersected.
- c) Planning for additional drilling targets.
- d) Ongoing field exploration activities on remaining tenements in accordance with the existing work commitments for all such tenements.

Financial Position

The net assets of the Company at 31 December 2008 were \$16,182,513 including cash of \$3,980,260. The Company's financial position has enabled the Company to place cash on deposit thus providing good earnings from interest payments. The Directors believe the Company is in a strong and stable financial position to continue its current exploration operations.

Aussie Q Resources Limited

Directors' report (continued)

Significant Changes in State of Affairs

The significant changes in the state of affairs of the Company during the financial period were as follows:

- 1) Announcement of maiden Mineral Resource Statement for Whitewash Project Area dated 25 September 2008.
- 2) The delineation of significant, high grade mineralisation at Gordons.
- 3) The retirement of Dr. Richard Haren as CEO on 31 December 2008. Dr. Haren continues as a Non-Executive Director of the Company.
- 4) Appointment of Mr. Edgar Newman as a Non-Executive Director on 31 December 2008.

After Balance Date Events

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

Future Developments, Prospects and Business Strategies

The Company has currently engaged specialised consultants to assess all of the information derived from the drilling programs at Whitewash and Gordons. This information will be reviewed and used as the basis for further exploration activities and may include some specific drilling to confirm aspects of the structure and the extent of the Whitewash/Gordons Projects' mineralisation.

The Company, through its independent consultants will review the assays from the Gordons drilling program with a view to updating and enhancing the original Resource Statement.

Further, the Company has at least five (5) advanced projects, drill ready.

The Company will also initiate, in conjunction with airborne geophysical contractors, a program to perform magnetic measurements over the prospective areas and, in addition, as an ongoing commitment, a program to acquire geophysical gravity data over a number of prospects at Rawbelle.

The Company has adopted a Strategic Plan which encourages advanced discussions with interested groups from within Australia as well as from Asia who are willing to conclude Joint Venture agreements with the Company in respect of the Company's tenements.

The Company's policy in all such discussions is to ensure that the tenement areas for Joint Venture discussions would also include discussions as to potential off-take agreements from any such Joint Venture.

Environmental Issues

The Company's operations are subject to significant environmental regulation under the laws of the Commonwealth and State. Details of the Company'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 Company 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.

Aussie Q Resources Limited

Directors' report (continued)

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

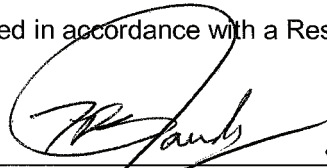
The lead auditor's independence declaration is set out on page 13 and forms part of the Directors' Report for the six months ended 31 December 2008.

Rounding Off

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, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at the Gold Coast this 23rd day of February 2009

Signed in accordance with a Resolution of the Directors



Frank R. Gardiner
LL.B FAIM FAICD
Chairman of Directors

The information in this Directors' 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.

To the extent this report relates to the maiden Mineral Resource Statement prepared by SRK Consulting Pty Ltd and released by the Company on September 25, 2008 such information was provided by Mr Paul Hunter and Mr Daniel Guibal who are fulltime employees of SRK Consulting and collectively take responsibility for the content. Both have over 17 years of relevant experience relating to the evaluation of base and precious metal deposits of this style and the estimation of mineral resources and application of advanced geostatistical techniques. Both are considered to have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they undertook to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Both Messrs. Hunter and Guibal have consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Aussie Q Resources Limited

Interim income statement

For the six months ended 31 December 2008

	<i>Note</i>	31 Dec 2008	31 Dec 2007
<i>In thousands of AUD</i>			
Administrative expenses		(577)	(313)
Other expenses		(192)	(71)
Results from operating activities		(769)	(384)
Finance income		158	337
Net finance income		158	337
Loss before income tax		(611)	(47)
Income tax expense	7	-	-
Loss for the period		(611)	(47)
Earnings (loss) per share			
Basic earnings (loss) per share (cents per share)		<u>(0.51) cents</u>	<u>(0.04) cents</u>
Diluted earnings (loss) per share (cents per share)		<u>(0.51) cents</u>	<u>(0.04) cents</u>

The condensed notes on pages 10 to 11 are an integral part of these interim financial statements.

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Aussie Q Resources Limited
Interim statement of changes in equity
For the six months ended 31 December 2008

in thousands of AUD

	Note	Share capital	Equity compensation reserve	Fair value reserve	Retained earnings	Total equity
Balance at 1 July 2007		17,314	1,500	-	(1,606)	17,208
Transaction costs – share issues		(12)	-	-	-	(12)
Loss attributable to members of the entity		-	-	-	(47)	(47)
Balance at 31 December 2007		<u>17,302</u>	<u>1,500</u>	<u>-</u>	<u>(1,653)</u>	<u>17,149</u>
Balance at 1 July 2008		17,258	1,500	2	(1,954)	16,806
Options issued during the period		-	15	-	-	15
Decrease in value of Available for Sale Assets		-	-	(27)	-	(27)
Loss attributable to members of the entity		-	-	-	(611)	(611)
Balance at 31 December 2008		<u>17,258</u>	<u>1,515</u>	<u>(25)</u>	<u>(2,565)</u>	<u>16,183</u>

The condensed notes on pages 10 to 11 are an integral part of these interim financial statements.

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Aussie Q Resources Limited

Interim balance sheet

As at 31 December 2008

In thousands of AUD

	Note	31 Dec 2008	30 Jun 2008
Assets			
Cash and cash equivalents		3,980	5,896
Trade and other receivables		135	471
Prepayments		19	33
Total current assets		4,134	6,400
Exploration and evaluation assets		11,831	10,286
Property, plant and equipment	8	230	223
Other assets		23	23
Other investments		48	28
Total non-current assets		12,132	10,560
Total assets		16,266	16,960
Liabilities			
Trade and other payables		70	133
Employee benefits		13	21
Total current liabilities		83	154
Total non-current liabilities		-	-
Total liabilities		83	154
Net assets		16,183	16,806
Equity			
Share capital		17,258	17,258
Reserves		1,490	1,502
Retained earnings / (accumulated losses)		(2,565)	(1,954)
Total equity		16,183	16,806

The condensed notes on pages 10 to 11 are an integral part of these interim financial statements.

Aussie Q Resources Limited

Interim statement of cash flows

For the six months ended 31 December 2008

In thousands of AUD

	Note	31 Dec 2008	31 Dec 2007
Cash flows from operating activities			
Cash paid to suppliers and employees		(301)	(712)
Interest received		158	337
Net cash from (used in) from operating activities		<u>(143)</u>	<u>(375)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(28)	(97)
Payments for exploration activities		(1,545)	(2,224)
Acquisition of other investments		(200)	-
Net cash from (used in) investing activities		<u>(1,773)</u>	<u>(2,321)</u>
Cash flows from financing activities			
Capital raising costs		-	(12)
Net cash from (used in) financing activities		<u>-</u>	<u>(12)</u>
Net increase (decrease) in cash and cash equivalents		(1,916)	(2,708)
Cash and cash equivalents at 1 July		5,896	11,104
Cash and cash equivalents at 31 December		<u>3,980</u>	<u>8,396</u>

The condensed notes on pages 10 to 11 are an integral part of these interim financial statements.

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Aussie Q Resources Limited

Condensed notes to the interim financial statements

1. **Reporting entity**
Aussie Q Resources Limited (the "Company") is a company domiciled in Australia. These are the interim statements of the Company for the six month period ended 31 December 2008.
- The annual financial report of the Company as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at Level 1, 27-29 Crombie Avenue Bundall Qld 4217 or at <http://www.aussieqresources.com.au>
2. **Statement of compliance**
The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.
- The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2008.
- This interim financial report was approved by the Board of Directors on Monday the 23rd of February 2009.
- The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.
3. **Significant accounting policies**
The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2008.
4. **Estimates**
The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- In preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2008.
5. **Financial risk management**
The Company's financial risk management objectives and policies are consistent with that disclosed in the financial report as at and for the year ended 30 June 2008.
6. **Segment reporting**
Aussie Q Resources Limited forms a single business segment performing exploration activities in one geographical segment, being Queensland.
7. **Income tax expense**
The Company's effective tax rate for the six months ended 31 December 2008 was 0 percent (for the year ended 30 June 2008: 0 percent; for the six months ended 31 December 2007: 0 percent).
8. **Property, plant and equipment**
Acquisitions and disposals
During the six months ended 31 December 2008 the Company acquired assets with a cost of \$28 thousand (six months ended 31 December 2007: \$103 thousand).

Aussie Q Resources Limited

Condensed notes to the interim financial statements

9.

Share-based payments

On 30 January 2007, 30,000,000 share options were granted for ordinary shares at an exercise price of 30 cents each. 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 of these options were granted to key management personnel.

On 5 August 2008, 600,000 share options were granted to employees for ordinary shares at an exercise price of 20 cents each. The options are able to be exercised 1 year after grant date and expire on 31 January 2012. The options hold no voting or dividend rights and are not transferable. At balance date, no share options had been exercised.

The options outstanding at 31 December 2008 had a weighted average exercise price of \$0.30 and a weighted average remaining contractual life of four hundred and nine days.

The terms and conditions of the grants outstanding at 31 December 2008 are as follows:

Grant date	Number of instruments	Vesting conditions	Contractual life of options
Option grant at 30 January 2007	30,000,000	2 years after grant date	30/01/2010
Option grant at 5 August 2008	600,000	1 year after grant date	31/01/2012

The fair value of share options granted for the six months ended 31 December 2008 was \$14,460 or \$0.02 each.

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

Share price	\$0.08
Exercise price	\$0.20
Expected volatility	71%
Option life	1274 Days
Risk-free interest rate	5.65%

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.

The basis of measuring the fair value of options is consistent with that disclosed in the financial report as at and for the year ended 30 June 2008.

10.

Related parties

Arrangements with related parties continue to be in place other than that between Flatoak Pty Ltd (Richard Haren) which was terminated by agreement on 31 December 2008. For details on these arrangements, refer to the 30 June 2008 annual financial report.

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Aussie Q Resources Limited

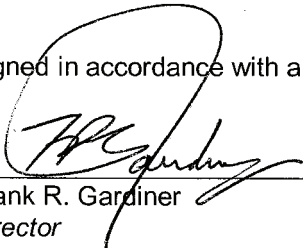
Directors' declaration

In the opinion of the directors of Aussie Q Resources Limited ("the Company"):

1. the financial statements and notes set out on pages 6 to 11, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Gold Coast this 23rd day of February 2009.

Signed in accordance with a resolution of the directors:



Frank R. Gardiner
Director



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

To: the directors of Aussie Q Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008 there have been:

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

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'S J Board'.

S J Board
Partner

Gold Coast

23 February 2009

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

Report on the financial report

We have reviewed the accompanying interim financial report of Aussie Q Resources Limited, which comprises the interim balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes, and the directors' declaration set out on pages 6 to 12 of the Company.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation and fair presentation of the interim 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 interim 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2008 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of Aussie Q Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Aussie Q Resources Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.



KPMG



S J Board
Partner

Gold Coast

23 February 2009

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