

Aussie Q Resources Limited
31 December 2009
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 2009 and any public announcements made by Aussie Q Resources Limited ("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 consolidated financial report for the six months ended 31 December 2009 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 Re-elected at AGM 19 November 2009
Mr Edgar George Newman Non-Executive Director	Appointed 31 December 2008 Re-elected at AGM 19 November 2009
Executive Mr John Leslie Goody Executive Director Director of Exploration	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 and situated approximately 110 kms south of Gladstone, a deep water port.

The Company holds a total of 9 Exploration Permits (EPMs) and 2 Applications (EPMA) as follows:

- 6 contiguous EPMs - 14628, 15921, 15922, 17001, 17002, 17060 and 1 EPMA -15920, all west of Monto.
- 3 part-contiguous EPMs, 14627, 15919 & 18202 situated approximately 20 kms to the south of the above group.
- During the period, the Company made application for an exploration permit, EPMA 18359, in the North Queensland goldfields of Forsyth.

The Company's EPMs are 100% AQR owned and host a number of prospects in various stages of exploration. They are ranked as future development, advanced and grass roots.

Aussie Q Resources Limited

Directors' report (continued)

Review of operations (continued)

To date the most developed prospect is the Whitewash/Gordons Project Area where extensive drilling has already resulted in an Inferred Resource (refer ASX Announcements 25 September 2008 & 7 May 2009).

During the period, drilling programs were completed at various prospects with the most interesting at Whitewash South and Kildare.

The Company's exploration focus received a significant and exciting boost with the discovery of very unusual mineralisation at Whitewash South as well as a significant discovery at Kildare.

Whitewash South

Whitewash South is situated 500m south of the 71.5 mt Inferred Resource at Whitewash/Gordons.

As previously reported Whitewash South is one of four (4) features which form a series of topographic knobs in a line stretching 2 kms to the south of Whitewash that look similar to Gordons. These Gordons "look alikes" are named - Whitewash South, Orange Hill, Lemon Hill and Windmill Hill. All are characterised by high copper and molybdenum soil geochemical anomalies and quartz outcrop.

During the period the first exploration hole the Company drilled at Whitewash South was 09WW090. The Company reported the significant mineralisation to the ASX on 31 August 2009.

Subsequently, Drill Hole 09WW094D was the first of a three hole diamond drilling program designed to test the potential for Gordons' style mineralisation beneath the discovery hole (09WW090).

Drill Hole 09WW094D is very unusual, in geological terms. The presence of a large mineralised polymict breccia, i.e. a breccia consisting of numerous types of rock fragments of different origin, that was intersected at 27m and continued to 177m, for a total intersect of 150m, indicates that this is the top of an exceptionally large system. Molybdenum and Copper mineralisation was detected visually as well as with the Niton XRF machine in the breccias and in the underlying various intrusive rocks all the way to the end of the hole at 411.7m.

Drill Holes 09WW095D & 09WW096D were drilled 35m south east and 150m east, respectively of the first hole. The results for these two holes are pending.

Kildare

Kildare is contained within EPM 14627, in a separate tenement block approximately 22 kms to the south of the Whitewash/Gordons Project Area.

During the period, a three hole drilling program at Kildare intersected a very large, porphyry related, hydrothermal system with extensive pervasive alteration. The three holes were drilled over a region of 1.5 kms from north to south. All holes encountered very broad zones of intense alteration.

Aussie Q Resources Limited

Directors' report (continued)

Review of operations (continued)

Drill Hole 09KD010 drilled at Bucket Mountain North in the Kildare prospect intersected two zones of Molybdenum mineralisation and Drill Hole 09KD009 intersected a large low grade zone of Molybdenum mineralisation interspersed with some better grade material (refer ASX Announcement 6 November 2009).

The presence of massive iron and low to moderate temperature alteration minerals and clays indicated that all holes intersected the hydrothermal system very high up in the system. Despite the presence of good grades of Molybdenum, it is thought by AQR geological personnel that the temperature at these high levels has not been optimum for the deposition of Molybdenum mineralisation which generally requires Mesothermal temperatures to form. It is expected that the system will yield better Molybdenum grades at depth in the zone. Fortunately the system appears to have a relatively shallow dip of approximately 20° to the west. Therefore deeper in the system is not necessarily deeper in the earth.

The Company will follow up on this exciting discovery by aggressively exploring this and the potential deeper Mesothermal extensions to the Kildare mineralisation.

Financial Position

The net assets of the Company at 31 December 2009 were \$15,314,000 including cash of \$2,230,000.

During this period the Company, Aussie NQ Resources Pty. Ltd. (ACN 140 072 680) was formed and an EPM application, namely 18359, was lodged in respect of this company. The area of this application has a history of exploration for gold, copper and other minerals.

A further EPM application, namely 18202 was lodged and granted during the period. This EPM joins EPMs 14627 and 15919.

It should be noted that the 2009 Remuneration Report was adopted at the AGM on 19 November 2009.

Significant Changes in State of Affairs

There have been no significant changes in state of affairs during the interim period.

After Balance Date Events

On 15 February 2010 AQR announced it has agreed to issue up to 6,666,666 shares at a price of \$0.30 per share to institutional and sophisticated investors, to raise up to a total of \$2 million. At the date of this report approximately \$1.94 million has been received. In addition, 200,000 shares will be issued at the same price in satisfaction of placement fees. Following the completion of the \$2 million placement, Aussie Q will have approximately \$4.6 million cash at bank to continue the aggressive exploration program at the company's Whitewash South Project and advance activity across the company's priority projects. The financial effect of this subsequent event has not been included in the financial report at 31 December 2009.

Aussie Q Resources Limited

Directors' report (continued)

Future Developments, Prospects and Business Strategies

The Company is currently awaiting assays from some of this period's drilling program. Once received, this information will be reviewed with a view to updating and enhancing the original Resource Statement and planning future drill sites.

The Company will aggressively explore the significant new discoveries at Whitewash South and Kildare.

It will re-commence drilling at Whitewash South in late January 2010 as well as complete a drilling program at Kiwi Carpet and Juicy Fruit West.

The Company will continue with its Strategic Plan by having further advanced discussions with interested groups in Australia and in Asia who are willing to conclude Joint Venture and/or Placement agreements with the Company in respect of the Company's tenements.

The adoption of Resolution 4 - Approval of Future Placements, at the recent AGM, approved the placement by Directors of up to 18 million ordinary fully paid shares in the Company to two or more placements not later than 3 months after the date of the meeting.

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 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.

Aussie Q Resources Limited

Directors' report (continued)

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

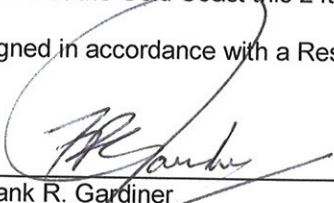
The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the six months ended 31 December 2009.

Rounding Off

The Group 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 24th day of February 2010

Signed in accordance with a Resolution of the Directors


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

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

Aussie Q Resources Limited

Consolidated interim statement of comprehensive income

For the six months ended 31 December 2009

	Note	31 Dec 2009	31 Dec 2008
<i>In thousands of AUD</i>			
Administrative expenses		(250)	(577)
Other expenses		(254)	(192)
Results from operating activities		(504)	(769)
Finance income		80	158
Net finance income		80	158
Loss before income tax		(424)	(611)
Income tax expense	7	-	-
Loss for the period		(424)	(611)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		-	(27)
Other comprehensive income for the period, net of income tax		-	(27)
Total comprehensive income for period		(424)	(638)
Earnings (loss) per share			
Basic earnings (loss) per share (cents per share)		(0.35) cents	(0.51) cents
Diluted earnings (loss) per share (cents per share)		(0.35) cents	(0.51) cents

The condensed notes on pages 11 to 12 are an integral part of these consolidated interim financial statements.

Aussie Q Resources Limited

Consolidated interim statement of changes in equity

For the six months ended 31 December 2009

<i>In thousands of AUD</i>	Note	Share capital	Equity compensation reserve	Fair value reserve	Accumulated losses	Total equity
Balance at 1 July 2008		17,258	1,500	2	(1,954)	16,806
Total comprehensive income for the period						
Loss for the period		-	-	-	(611)	(611)
Other comprehensive income						
Net change in fair value of Available for Sale financial assets, net of tax		-	-	(27)	-	(27)
Total other comprehensive income		-	-	(27)	-	(27)
Total comprehensive income for the period		-	-	(27)	(611)	(638)
Transactions with owners, recorded directly in equity						
Options issued during the period		-	15	-	-	15
Total transactions with owners		-	15	-	-	15
Balance at 31 December 2008		17,258	1,515	(25)	(2,565)	16,183
Balance at 1 July 2009		17,258	1,519	-	(3,039)	15,738
Total comprehensive income for the period						
Loss for the period		-	-	-	(424)	(424)
Other comprehensive income						
Net change in fair value of Available for Sale financial assets, net of tax		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	(424)	(424)
Transactions with owners, recorded directly in equity						
Options issued during the period		-	-	-	-	-
Total transactions with owners		-	-	-	-	-
Balance at 31 December 2009		17,258	1,519	-	(3,463)	15,314

The condensed notes on pages 11 to 12 are an integral part of these consolidated interim financial statements.

Aussie Q Resources Limited

Consolidated interim balance sheet

As at 31 December 2009

In thousands of AUD

	Note	31 Dec 2009	30 Jun 2009
Assets			
Cash and cash equivalents		2,230	3,261
Trade and other receivables		54	36
Other investments		33	33
Prepayments		15	33
Total current assets		2,332	3,363
Exploration and evaluation assets		12,835	12,262
Property, plant and equipment	9	179	199
Other assets		31	26
Other investments		59	27
Total non-current assets		13,104	12,514
Total assets		15,436	15,877
Liabilities			
Trade and other payables		53	75
Provisions		50	50
Employee benefits		19	14
Total current liabilities		122	139
Total non-current liabilities		-	-
Total liabilities		122	139
Net assets		15,314	15,738
Equity			
Share capital		17,258	17,258
Reserves		1,519	1,519
Retained earnings / (accumulated losses)		(3,463)	(3,039)
Total equity		15,314	15,738

The condensed notes on pages 11 to 12 are an integral part of these consolidated interim financial statements.

Aussie Q Resources Limited

Consolidated interim statement of cash flows

For the six months ended 31 December 2009

In thousands of AUD

	Note	31 Dec 2009	31 Dec 2008
Cash flows from operating activities			
Cash paid to suppliers and employees		(499)	(301)
Interest received		56	158
Net cash from (used in) from operating activities		<u>(443)</u>	<u>(143)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(1)	(28)
Payments for exploration activities		(579)	(1,545)
Acquisition of other investments		(8)	(200)
Net cash from (used in) investing activities		<u>(588)</u>	<u>(1,773)</u>
Net increase (decrease) in cash and cash equivalents		(1,031)	(1,916)
Cash and cash equivalents at 1 July		3,261	5,896
Cash and cash equivalents at 31 December		<u>2,230</u>	<u>3,980</u>

The condensed notes on pages 11 to 12 are an integral part of these consolidated interim financial statements.

Aussie Q Resources Limited

Condensed notes to the consolidated interim financial statements

1. Reporting entity

Aussie Q Resources Limited (the "Company") is a company domiciled in Australia. The consolidated interim statements of the Company as at and for the six months ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group").

The annual financial report of the Company as at and for the year ended 30 June 2009 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 consolidated 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 consolidated 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 2009.

This consolidated interim financial report was approved by the Board of Directors on Monday the 24th of February 2010.

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 consolidated financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2009.

(a) Change in accounting policy

(i) Presentation of financial statements

The Group applies revised AASB101 *Presentation of Financial Statements*, which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts aspects, there is no impact on earnings per share.

(ii) Determination and presentation of operating segments

As of 1 July 2009, the Group determines and presents operating segments based on the information that internally is provided to the Chairman, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any other of the Group's other components. An operating segment's operating results are reviewed by the Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses and head office expenses, and income tax and liabilities.

Aussie Q Resources Limited

Condensed notes to the interim financial statements

3. Significant accounting policies (continued)

(a) Change in accounting policy (continued)

(iii) Determination and presentation of operating segments (continued)

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4. Estimates

The preparation of consolidated 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 consolidated interim financial report, the significant judgements made by management in applying the 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 2009.

5. Financial risk management

The Group'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 2009.

6. Segment reporting

The Group forms a single business segment performing exploration activities in one geographical segment, being Queensland.

7. Income tax expense

The Group's effective tax rate for the six months ended 31 December 2009 was 0 percent (for the year ended 30 June 2009: 0 percent; for the six months ended 31 December 2008: 0 percent).

8. Acquisition of Subsidiary

On 19 October 2009 the Group formed the Company, Aussie NQ Resources Pty. Ltd. (ACN 140 072 680) AQR holds all 100 of the issued ordinary shares in Aussie NQ Resources Pty Ltd for \$100 in cash. This company has been setup for the exploration for gold, copper and other minerals in the North Queensland region.

9. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 December 2009 the Group acquired assets with a cost of \$1 thousand (six months ended 31 December 2008: \$28 thousand).

10. Share-based payments

There were no options granted or exercised during the period.

11. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report.

12. Subsequent Event

On 15 February 2010 AQR announced it has agreed to issue up to 6,666,666 shares at a price of \$0.30 per share to institutional and sophisticated investors, to raise up to a total of \$2 million. At the date of this report approximately \$1.94 million has been received. In addition, 200,000 shares will be issued at the same price in satisfaction of placement fees. Following the completion of the \$2 million placement, Aussie Q will have approximately \$4.6 million cash at bank to continue the aggressive exploration program at the company's Whitewash South Project and advance activity across the company's priority projects. The financial effect of this subsequent event has not been included in the financial report at 31 December 2009.

Aussie Q Resources Limited

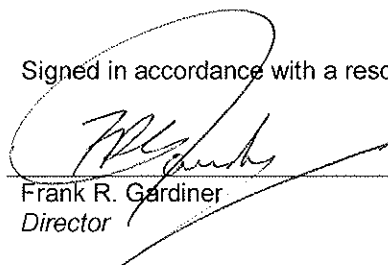
Directors' declaration

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

1. the financial statements and notes set out on pages 7 to 12, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2009 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 24th day of February 2010.

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 2009 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 blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to read 'S J Board'.

S J Board
Partner

Gold Coast

24 February 2010



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 consolidated interim balance sheet as at 31 December 2009, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 12, and the directors' declaration set out on pages 7 to 13 of the Group comprising the Company and the entities it controlled at the half year's end or from time to time during the interim period.

Directors' responsibility for the consolidated 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 consolidated 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 Group's financial position as at 31 December 2009 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 a 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.

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 Group's financial position as at 31 December 2009 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

24 February 2010