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The Manager  
Australian Securities Exchange Limited  
PO Box 7055  
Riverside Centre, Brisbane QLD 4001

Dear Madam,

**Clarification of Aspects of SRK Summary Report in relation to  
Resource Estimate for Greater Whitewash Project**

SRK Consulting has provided the following clarifications of aspects of their Summary Report in relation to the revised resource estimate for the Greater Whitewash Project released by the Company yesterday.

Reasons for selecting Mo as the metal for reporting on an equivalent basis.

At the prices quoted and at the cut off reported (425ppm MoEq), and as shown in the table titled '**Relative proportions of MoEq at 425ppm MoEq cut off by area**' in the Summary Resource Report, the Cu in-situ metal value is marginally dominant for all areas except Gordon's.

The reasons for reporting to a MoEq rather than a CuEq are largely historical relating to the reporting of the previous publicly announced resources (Gordon's and Whitewash) which were reported at Mo cut offs and where Mo value was dominant at those cut offs reported.

Because the Cu and Mo ratios are not consistent over the entire resource (some localised areas are Mo rich and Cu poor and others are Cu rich and Mo poor) reporting at a MoEq cut off not only increases the potentially economic tonnage but also changes the Cu Mo ratio in favour of Cu at any given cut off compared to a Mo only cut off.

The other aspect to note is that the overall Mo Cu value ratio tends toward Mo as the MoEq cut off increases.

With the distribution of Mo and Cu so far observed in this deposit, movements in the relative prices of Cu and Mo are likely to continually tip the balance between Mo value and Cu value being dominant.

Assumed metallurgical recoveries for all metals and the basis on which the assumed recoveries are derived

The Summary Resource report clearly states that recoveries for all MoEq elements are assumed to be the same. These were each assumed to be 85%. For the MoEq calculation the actual recoveries are irrelevant (as long as some economic recovery is possible). In the absence of any completed metallurgical testing, SRK is relying on the mineralisation types recorded within the Greater Whitewash Resource (predominately Chalcopyrite and Molybdenite) and published recoveries of other similar Cu Mo projects around the world. For example, Moly Mines Spinifex Ridge Project WA and Mercator Minerals Mineral Park Project, Arizona


At this stage there is no logical reason to place different recoveries on Mo and Cu as published recoveries vary as to what element has higher recovery depending on deposit and extraction method.

Basis of metal prices used

The MoEq formulae of  $MoEq = Mo + Cu/3.8 + Ag^* 28.8$  was specified by Aussie Q Resources. SRK verified the ratios by looking at the London Metal Exchange Mean Cash prices over the last four months. These were the figures in the summary report. Once again the actual prices are irrelevant, it is the ratios that drive the MoEq.

The Company confirms that it is the Company's opinion that all the elements included in the metal equivalents calculation in the SRK Summary Report have a reasonable potential to be recovered.

Yours faithfully



Stephen Lonergan  
Company Secretary

*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 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.*

*The information in this report that relates to Resources is based on information compiled by Danny Kentwell, a full time employee of SRK Consulting (Australasia) 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. Danny Kentwell has consented to the inclusion in this report of the matters based on this information in the form and context which it appears.*