

**ASX Release: 31 January, 2012**

## **Quarterly Activities Report - for the three months ending December 2011**

### **HIGHLIGHTS**

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

- Drilling during October resulted in 1,464 metres of RC drilling at Kiwi Carpet and Whitewash.
- Soil samples were collected at Kiwi Carpet and sent for analysis.
- SLWQ has carried out further soil sampling programs at Kildare and Oakey Creek as well as two IP surveys at Kildare and Oakey Creek.

#### **Regional Exploration**

The Company continued RC drilling at Greater Whitewash during the Quarter with a total of 1,464 metres being completed before the program ceased in late October. Subject to rig availability and weather, the program will be resumed in February 2012. A total of 783 metres of drilling was completed at Whitewash Hill where near surface high grade mineral was intersected. Another 681 metres was completed at Kiwi Carpet. Kiwi Carpet is another, apparently large porphyry system 10km north of Whitewash and 100% owned by AQR. Results from the drilling at Kiwi Carpet should be announced in the first or second quarter of 2012, however significant mineralisation over good widths were observed in all holes drilled.

A total of 44 soil samples were collected at Kiwi Carpet, assay results are awaited. Two regions of the Kiwi Carpet anomaly were tested using Induced Polarisation (IP) electrical surveying methods. Combinations of IP and magnetic measurements have shown to be successful in delineating zones of higher grade mineralisation and survey results are awaited. Work continued on the Permits joint ventured through SLW Queensland Pty Ltd (SLWQ) around Kildare and Oakey Creek to the south of Greater Whitewash (EPM's 14627, 15919, 18202 and 19029). Soil sampling programs were carried out at Oakey Creek and Kildare with a total of 139 samples being collected, assay results are awaited. Electrical Induced Polarisation (IP) surveys were acquired at Oakey Creek and Kildare and the final report is expected in the near future. These data will be used to further define the anomalous zones and trends within the region.

#### **Corporate**

Directors are pleased to advise that Mr Hamish Collins has agreed to join the Board as Managing Director effective March 28, 2012. Mr. Collins, a mining engineer, brings with him extensive experience in the resources and finance industries at senior management level. This appointment will follow the completion by Mr Collins of his term as Managing Director of MM Mining Limited, an unlisted base metals exploration company in the Tinkler Group. Prior to this role, Mr Collins was the inaugural Chief Executive Officer of Aston Resources Limited, another company in the Tinkler Group.

Prior to his operational roles in the Tinkler Group, Mr. Collins was employed at a senior level in corporate finance (Natural Resources) at:

- BNP Paribas (Vice President Natural Resources)

- NM Rothschild & Sons (Australia) Ltd. (Senior Manager Natural Resources)
- Commonwealth Bank of Australia (Associate Vice President, Corporate Finance)
- SG Hambros (Australia) Ltd (Manager Corporate Finance Advisory)

During these tenures Mr. Collins worked on numerous high level debt/equity financings and acquisition deals in the resource industry. The Board believes that Mr. Collins' experience in mining and corporate finance will be invaluable to AQR in advancing the discussions already commenced with interested parties regarding joint venture proposals and other strategies.

Prior to 31 December, the Company received notice of exercise of 2,000,000 unlisted options (AQRAQ) each expiring 31 December 2011 and exercisable at 10 cents. Following clearance of the exercise payment, the shares were allotted on 4 January 2012.

## Exploration Expenditure

During the Quarter, the Company expended approximately \$616,000 on exploration. The Company has cash reserves of approximately \$2.06 million as at the end of the December Quarter.

## Work Planned for the January Quarter

Work planned for the current Quarter includes progression of metallurgical testwork, and drilling within the Rawbelle Project area including the SLWQ EPMs. Drilling will be curtailed for the wet season, however the Company has secured 2 drill rigs (1 RC rig and 1 diamond rig) to re-commence drilling after the annual wet season.

The Company has also been actively assessing other prospective regions of the EPMs held to the west of Monto in Queensland.

## Appendix 5B

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Goody'.

John Goody  
Executive Director

*The information in this report that relates to exploration results and mineral resources is based on information compiled by John Goody 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.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

AUSSIE Q RESOURCES LIMITED
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ABN

91 121 964 725
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Quarter ended ("current quarter")

31 December 2011
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
- Service Fees	35	40
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(616)	(786)
	-	-
	-	-
	(343)	(797)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	70
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- GST Payments	(31)	(29)
<b>Net Operating Cash Flows</b>	<b>(926)</b>	<b>(1,502)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	(1)	(4)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(4)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(927)</b>	<b>(1,506)</b>

+ See chapter 19 for defined terms.

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**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(927)	(1,506)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	200	200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	<b>200</b>	<b>200</b>
	<b>Net increase (decrease) in cash held</b>	<b>(727)</b>	<b>(1,306)</b>
1.20	Cash at beginning of quarter/year to date	2,794	3,373
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,067</b>	<b>2,067</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	167
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Transactions include the payment of Consultancy fees to the associated entities of the Directors, R. Haren & J. Goody, the payment of Superannuation and Directors fees to the Directors, R. Haren, E. Newman, S. Griff & T. Mann, as well as the reimbursement of ordinary expenditure incurred by Directors.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

The company has a corporate credit card facility for the purpose of company expenses. There are four cards issued with a combined credit limit of \$30,000.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	25	5

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	400
<b>Total</b>	<b>1,100</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,067	2,794
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,067</b>	<b>2,794</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		

+ See chapter 19 for defined terms.

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

6.2	Interests in mining tenements acquired or increased	MDL 462	Acquisition by Aussie Q Resources Limited	0%	100%
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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	<b>+Ordinary securities</b>	145,022,440	145,022,440		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A As a result of the options which expired on 31 December 2011, being exercised on 23 December 2011, shares were not issued until 4 January 2012.			
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			

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7.7	<b>Options</b> (description and conversion factor)	250,000	N/A	Exercise price 20	Expiry date 31 January 2012
7.8	Issued during quarter	N/A			
7.9	Exercised during quarter	2,000,000	N/A	10	31 December 2011
7.10	Expired during quarter	N/A			
7.11	<b>Debentures</b> (totals only)	N/A			
7.12	<b>Unsecured notes</b> (totals only)	N/A			

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31/1/2012  
(Director/Company secretary)

Print name: Stephen Lonergan  
.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

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- 3      **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
  
- 4      The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
  
- 5      **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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