

ASX Release: 31 July 2012

Quarterly Activities Report for the three months ending 30 June 2012

HIGHLIGHTS

- *John Hill drill results reinforce the existence of a large porphyry system 10km north of Greater Whitewash Project.*
- *Greater Whitewash Project desktop studies and MDL permitting in progress.*
- *Board members Mr Sydney Griff and Dr Richard Haren retire from Board after 2 & 5 yrs respectively of service.*
- *Capital raise of \$700,000.*

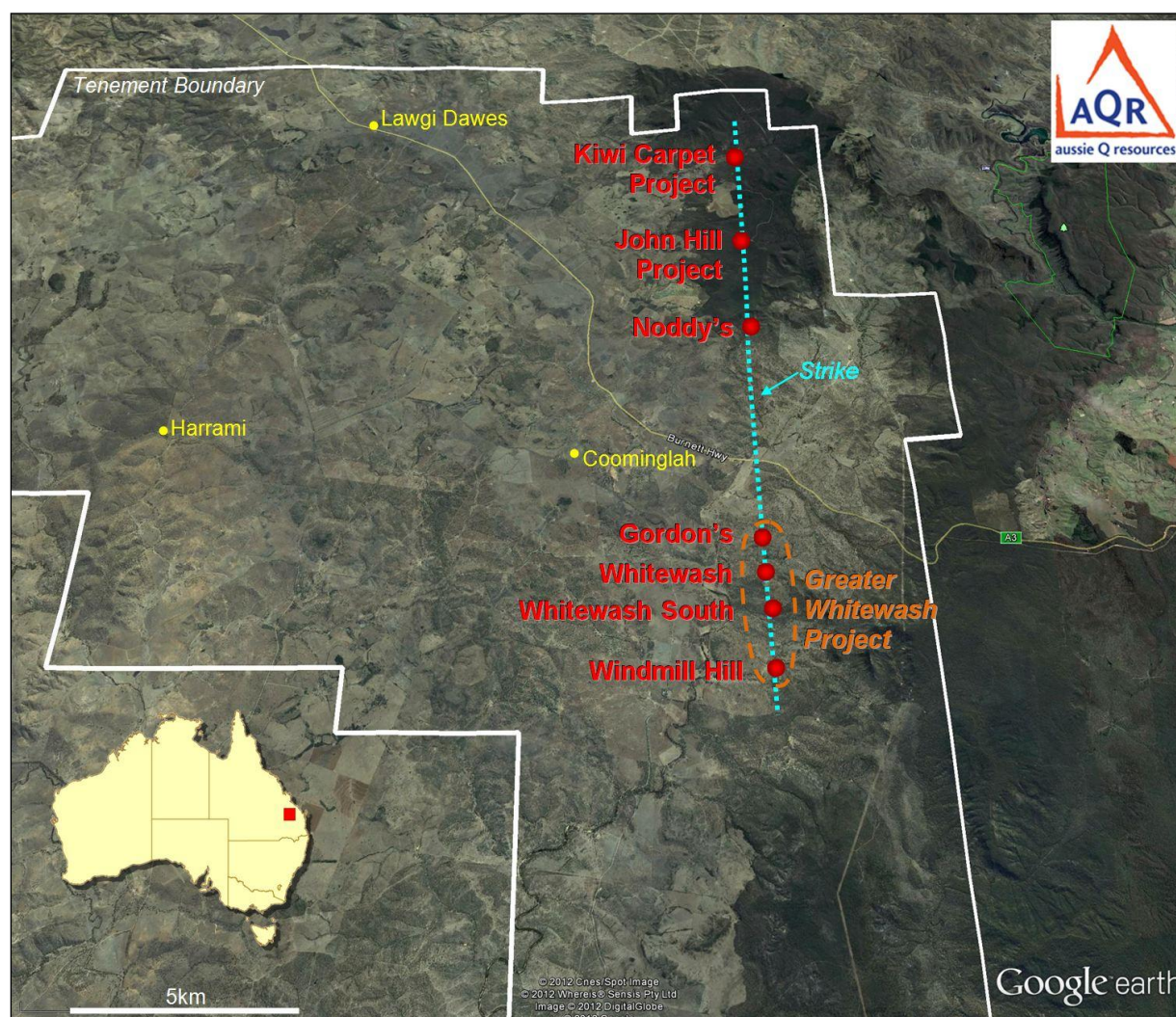


Figure 1: An overview of the location of John Hill, Kiwi Carpet and Greater Whitewash Projects.

John Hill Project, Queensland (EPM 14628)

The John Hill Project is situated 10km north, and along strike, of the large JORC resource at Greater Whitewash Project and 2.5km south, and along strike, of the Kiwi Carpet Copper Project (**Figure 1**).

Aussie Q Resources ("AQR") has drilled 13 holes (3,252m) to date at John Hill resulting in the discovery of a large porphyry system with potentially ore grade mineralisation occurring over a wide area and with very thick intersections (+400m). All results were compiled in this quarter with significant intercepts including:

Hole	Intersect m	Cu %	Mo ppm	Ag ppm	From m	To m	Cu Equiv ¹ %
45	45	0.23	69	1.2	43	88	0.27
47	25	0.31	315	1.6	25	73	0.46
51	128	0.21	71	0.9	26	154	0.25
	<i>Inc 13</i>	0.27	161	0.9	102	115	0.44
	22	0.17	250	2.1	330	352	0.30
	<i>Inc 5</i>	0.18	580	6.2	346	351	0.50
53	41	0.31	18	0.1	14	55	0.32
	<i>Inc 21</i>	0.41	13	0.2	28	49	0.42
	125	0.18	153	0.9	228	353	0.25
	<i>Inc 10</i>	0.22	234	1.1	290	300	0.33
55	494	0.22	163	1.0	25	519	0.30
	<i>incl 35</i>	0.32	63	0.5	25	60	0.36
	<i>incl 20</i>	0.41	48	0.3	39	59	0.43
	<i>incl 10</i>	0.49	54	0.3	39	49	0.52

*Copper Equivalent Calculation: Cu Equiv Formula = Copper grade + (Molybdenum grade*4.1 + Silver*136)*

Metal Prices used: Copper = US\$3.50/lb, Molybdenum = US\$14.28/lb, Silver = \$33/oz

Like Greater Whitewash, John Hill is a polymetallic deposit. However due to the dominance of copper at John Hill, and in keeping with the JORC Code, the results are quoted in copper equivalent.

Due to the proximity to the Greater Whitewash Project, the current focus on the John Hill Project is to potentially increase the tonnage, copper grade, life of mine and subsequent economics of a Greater Whitewash processing plant.

Figure 2 below shows the drilling at John Hill Project done to date (magnetic background, yellow dots) as well as the drill program planned in July 2012 (5 holes shown as pink dots, 1,500m).

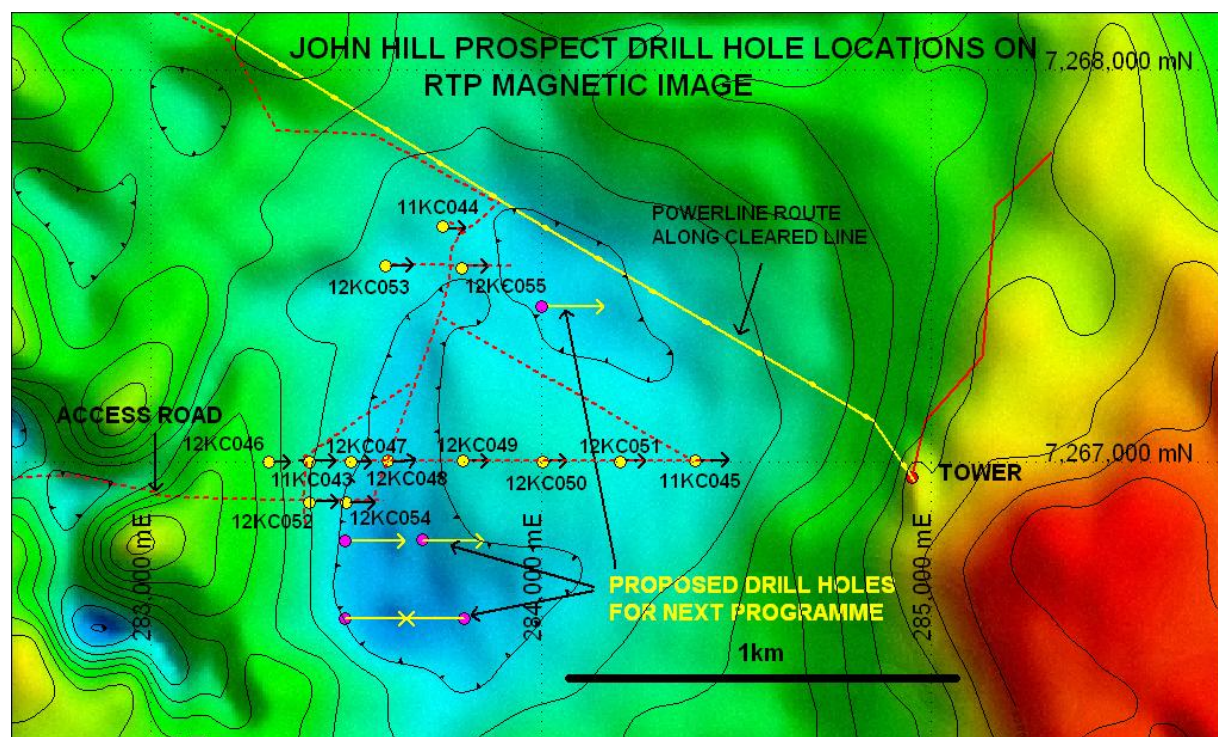


Figure 2: John Hill Prospect Drill Hole locations

Greater Whitewash Project

Work during the quarter on the Greater Whitewash Project included desktop studies to identify potential economic mining limits, mineable quantities and development strategies. An in-house financial model has been constructed and work is ongoing in determining operating and cost parameters.

Work planned for Q3 (Jul-Sep 2012) on the Greater Whitewash Project includes preliminary pre-feasibility study items such as further metallurgical testing, process flow-sheet assessment, infrastructure studies, and environmental base line studies.

A Mineral Development License ("MDL") over the Greater Whitewash Project, an area of 1,005 hectares, was lodged with the Department of Employment, Economic Development and Innovation on 26 October 2011. Granting of this MDL, subject to certain conditions, is expected to occur in Q3.

Kildare Project, Queensland

(EPM 14627, 15919, 18202: JV - AQR 35%, SLW Minerals 65%)

During the quarter a total of 10 reverse circulation holes were drilled on the SLW Queensland joint venture tenement, EPM 14627. Drill holes were targeted at molybdenum and tungsten mineralisation. Drill hole locations and orientations were based on surface geology, soil geochemistry, previous drilling results, both airborne and ground magnetic surveys, induced polarization and resistivity surveys and the location of old workings. Best results were as follows:

Hole	Intersect m	Mo ppm	From m	To m
12KD012	6	4,264	136	142
12KD015	40	475	94	134
12KD015	8	375	154	162
12KD015	17	485	182	199
12KD017	7	2,403	63	70

Corporate

Board Changes

Dr Richard Haren and Mr Sydney Griff retired on 21 May as Directors of the Company. Dr Richard Haren has been an active Board participant since the listing of AQR in early 2007 and was CEO of the company for nearly 2 years. Sydney Griff has also had a long association with the Company as a major shareholder, a driving force in the floating of the Company in 2007, as well as being a non-executive Director for the past 2 years.

Both have successfully directed AQR from a grass roots explorer with a prospective tenement package to a company with a considerable resource base ready for development.

The Board would like to thank both gentleman for their considerable work and contribution undertaken over many years for the Company.

Capital Raising

During the quarter the Company placed 5.6 million ordinary fully paid shares at A\$0.125 per share to institutional and sophisticated investors in Australia to raise A\$700,000 before costs of the issue. The placement was supported by Washington H. Soul Pattinson and a number of the Company's professional shareholders.

The new funds will be used to continue execution of the 2012 exploration and project development plan, specifically:

- A drilling program at John Hill, the Company's new copper porphyry discovery.
- Advance preliminary pre-feasibility study items for Greater Whitewash.

General

AQR's growth plans are based on both organic growth (advancing Greater Whitewash to development, obtaining a JORC Resource for John Hill and Kiwi Carpet) as well as seeking corporate growth opportunities. As a consequence of value deterioration in the small to mid capitalisation resource market, management believes there is a unique opportunity to act expeditiously on any near term opportunities identified and position AQR for the next market appreciation.

Exploration Expenditure

During the quarter, the company expended approx. \$243,000 on exploration activities.

As at 30 June the Company had cash reserves of approximately \$1.039m.

Appendix 5B

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'H. Collins', on a light blue background.

Hamish Collins

Managing 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 Martin l'Ons 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. Martin l'Ons 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

ABN

91 121 964 725

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
	- Service Fees	19	170
1.2	Payments for (a) exploration & evaluation	(243)	(1,908)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(395)	(1,444)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	94
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- GST Payments	35	1
	Net Operating Cash Flows	(577)	(3,087)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(17)
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)	-	-
	Net investing cash flows	(4)	(17)
1.13	Total operating and investing cash flows (carried forward)	(581)	(3,104)

1.13	Total operating and investing cash flows (brought forward)	(581)	(3,104)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	700	900
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)		
	- Capital raising costs	(52)	(52)
	- On market purchase of shares for equity-based compensation	(78)	(78)
	Net financing cash flows	570	770
	Net increase (decrease) in cash held	(11)	(2,334)
1.20	Cash at beginning of quarter/year to date	1,050	3,373
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,039	1,039

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	137
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

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

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	30	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	390
4.2 Development	-
4.3 Production	-
4.4 Administration	340
Total	730

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	1,039	1,050
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,039	1,050

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			

6.2 Interests in mining tenements acquired or increased

Nil			
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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	Preference + securities (description)	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	+Ordinary securities	152,822,440	152,822,440		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,600,000	5,600,000	12.5	12.5
7.5	+Convertible debt securities (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor)	N/A		Exercise price	Expiry date
7.8	Issued during quarter	N/A			

7.9	Exercised during quarter	N/A			
7.10	Expired during quarter	N/A			
7.11	Debentures (totals only)	N/A			
7.12	Unsecured notes (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 July 2012.....
(Director/Company secretary)

Print name:Hamish Collins.....

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.
- 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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