

ASX: SQX

30 October 2023

## SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

### HIGHLIGHTS

- Management transition during the September Quarter resulting in personnel cost reduction of ~45%
- Strong focus on identifying additional opportunities in the critical minerals sector to build out the portfolio of assets
- Patrick Glovac appointed as Executive Chairman

### Scrub Paddock

- All assay results now received for maiden Scrub Paddock drill program
- Broad gold-bearing mineralisation present in multiple holes at Scrub Paddock Prospect including 553m @ 0.10g/t Au from 27m (SP002) and 152m @ 0.12g/t Au from 93m (SP001)
- Total drill program cost expected to be below budget

### Ollenburgs:

- Soil sampling assay results confirm multiple anomalous (>50ppm) copper zones, including area near historical rock chip sample of 19.6g/t Au and 6.56% Cu
- Presence of other metals detected in trace amounts including gold, arsenic, bismuth, and molybdenum, supports the exploration target of copper/gold porphyry mineralisation

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SQX Resources Limited (**SQX** or **Company**) is pleased to release this Quarterly Activities Report for the quarter ending September 2023.

SQX Executive Chairman, Mr Patric Glovac, commented on the results:

*"SQX has continued to deliver on its plan in the third quarter of 2023, with the final assay results from the Scrub Paddock drill program being released to the market in July 2023.*

*"The Company underwent a transformative management change with Mr David Sanders and I joining the Board of SQX following the resignation of Mr Bryan Granzien and Mr Tim Cooper.*

*"As my first task in the role of Executive Chairman, SQX performed a strategic review which resulted in a personnel cost savings of ~45%.*

*"Finally, SQX has and is continuing to identify and assess business development opportunities which support our strategy of building a portfolio of exploration, development and operating assets."*

### Scrub Paddock

SQX concluded its maiden drill program on 25 April 2023 for a total of 2,366m, comprising reverse circulation (**RC**) drilling for 1,151m and diamond drilling (**DD**) for 1,215m. Associated Exploration Drillers (**AED**) completed the drill program in ~7 weeks with RC and DD samples transported to ALS Laboratories in Brisbane for assaying.

The program was designed to test for economic mineralisation of the exploration target (a potential gold-copper porphyry system). 6 holes were drilled over the ~2km strike length area with holes designed to test targets from a 2022 induced polarisation (**IP**) geophysical survey and historical soil sampling results. 4 holes were RC pre-collar with DD tail holes (SP001, SP002, SP003, SP004), and the remaining 2 holes were RC-only (SP005, SP006).

Initial observations of drill core identified mineralisation consistent with porphyry-style gold and/or copper-bearing mineralisation. Arsenopyrite (with trace chalcopyrite) was visually observed in carbonate veins in diamond drill core extracted from multiple holes, with chalcopyrite also visually observed in DD core extracted from multiple holes.

### Scrub Paddock Drill Program – Assay Results

Assay results for the Scrub Paddock drill program were released in July 2023 (refer to ASX announcement dated 19 July 2023). Intersections that have been added or have been modified to those announced in SQX ASX Announcement "Initial Assay Results Confirm Broad Gold Mineralisation Including 103m @ 0.23g/t Au" dated 3 July 2023 are shown in the bullet points and tables below in **bold**.

Significant gold intersections identified in assay results include:

- SP001
  - 152m @ 0.12g/t Au from 93m including
    - 1m @ 1.43g/t Au from 210m
    - 1m @ 1.99g/t Au from 230m
- **SP002**
  - **553m @ 0.10g/t Au from 27m to end of hole, including**
    - **126m @ 0.21g/t Au from 245m including**
      - 1m @ 8.31g/t Au from 245m
      - 1m @ 2.64g/t Au from 278m
      - 1m @ 4.14g/t Au from 347m
    - **15m @ 0.47g/t Au from 501m including**
      - **1m @ 1.14g/t Au from 505m**
      - **1m @ 2.25g/t Au from 513m**
- SP003
  - 3m @ 0.52g/t Au from 96m
- **SP004**
  - **2m @ 2.45g/t Au from 312m including**
    - **1m @ 3.51g/t Au from 313m**
- SP006
  - 32m @ 0.23g/t Au from 210m to end of hole, including
    - 8m @ 0.88g/t Au from 234m
    - 2m @ 2.22g/t Au from 240m



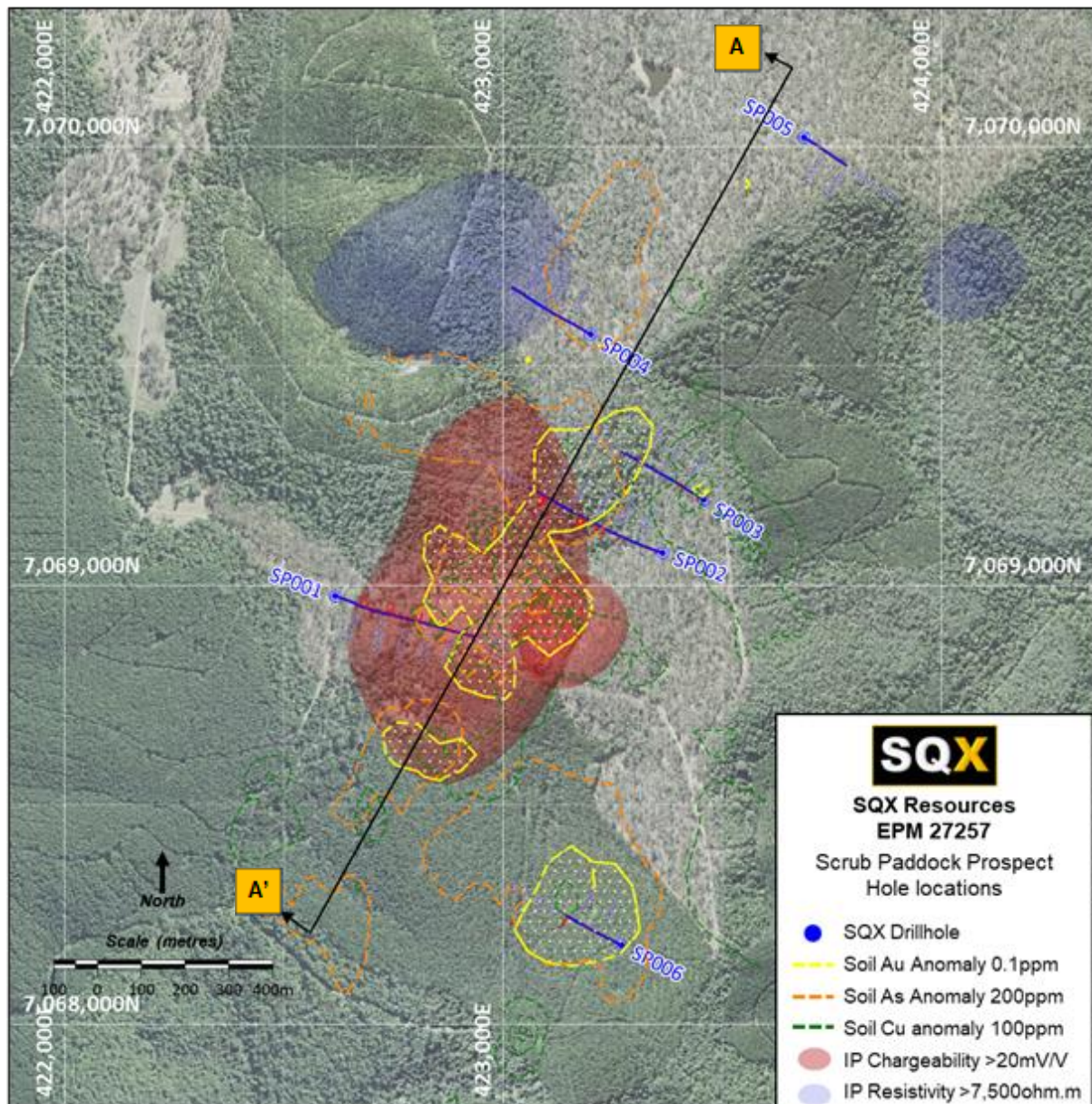


Figure 1: Scrub Paddock with SQX boreholes SP001-SP006, historical IP chargeability and resistivity anomalies, historical surface geochemistry and longitudinal section line A – A' as shown in Figure 2

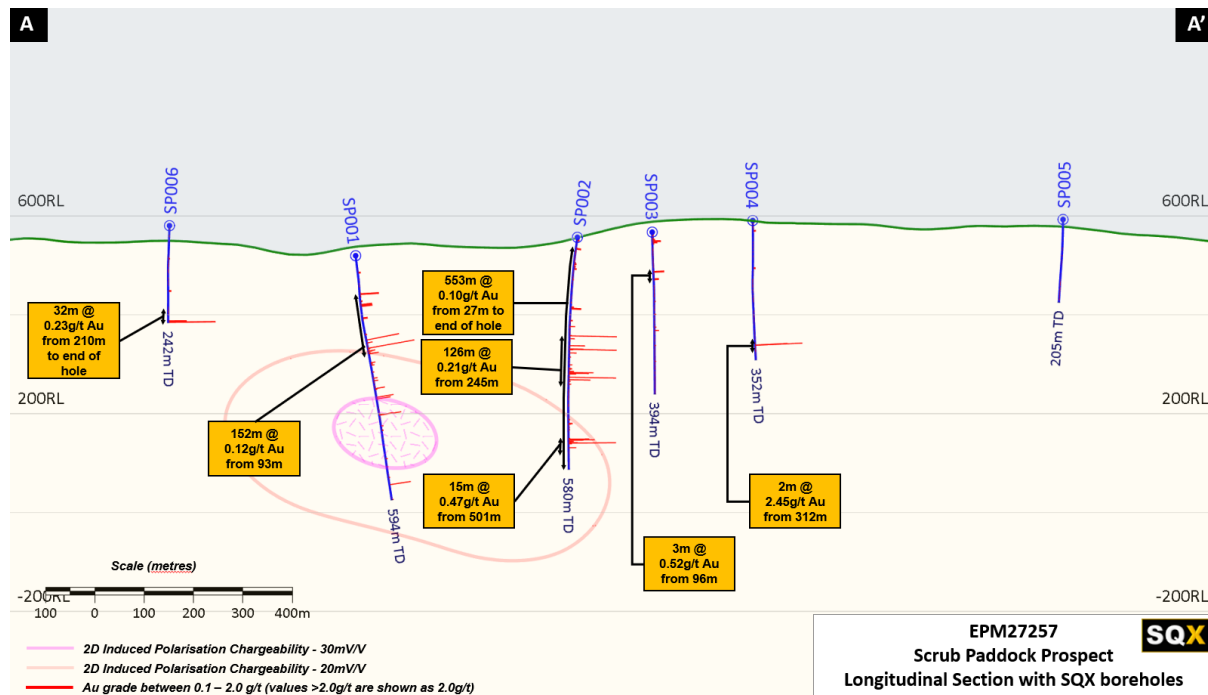


Figure 2: Longitudinal section showing holes, Au intercepts >0.1g/t and 2.0g/t cutoff, 2D induced polarisation chargeability anomaly.

### Ollenburs Soil Sampling Program – SQX Soil Sampling Overview

Assay results from the program of surface geochemical sampling in May and early June 2023 were released during the quarter (refer to ASX announcement dated 7 July 2023). The program comprised a total of 191 samples collected at the locations shown in Figure 3. Samples were collected from a spacing of typically 100m, with topography also determining collection sites. The collected samples were transported to the ALS Global laboratory in Brisbane where low level multi-element (52) and gold by fire assay and ICP-MS finish methods were undertaken.

The soil geochemical survey area covers the prospective Elgin Vale Diorite / adjacent Neara Volcanics (andesite lava flows and volcanoclastics) host rocks and northwest-striking fault.

### Ollenburs Soil Sampling Program – SQX Soil Sampling Results

Three anomalous zones were identified, including the area around historical workings, the southern contact zone between the Elgin Vale Diorite / host rock, and along the northwest-striking fault. These zones were evident not only in copper assay results (Figure 4) but also assay results for other metals including gold, arsenic, bismuth, and molybdenum (Figure 5).

The presence of other metals shown in Figure 5 provide further encouragement the Ollenburs prospect could contain high-level gold (Au, Ag, As, Hg, Sb) or higher temperature porphyry copper mineralisation (Mo, Cu, W, Bi).



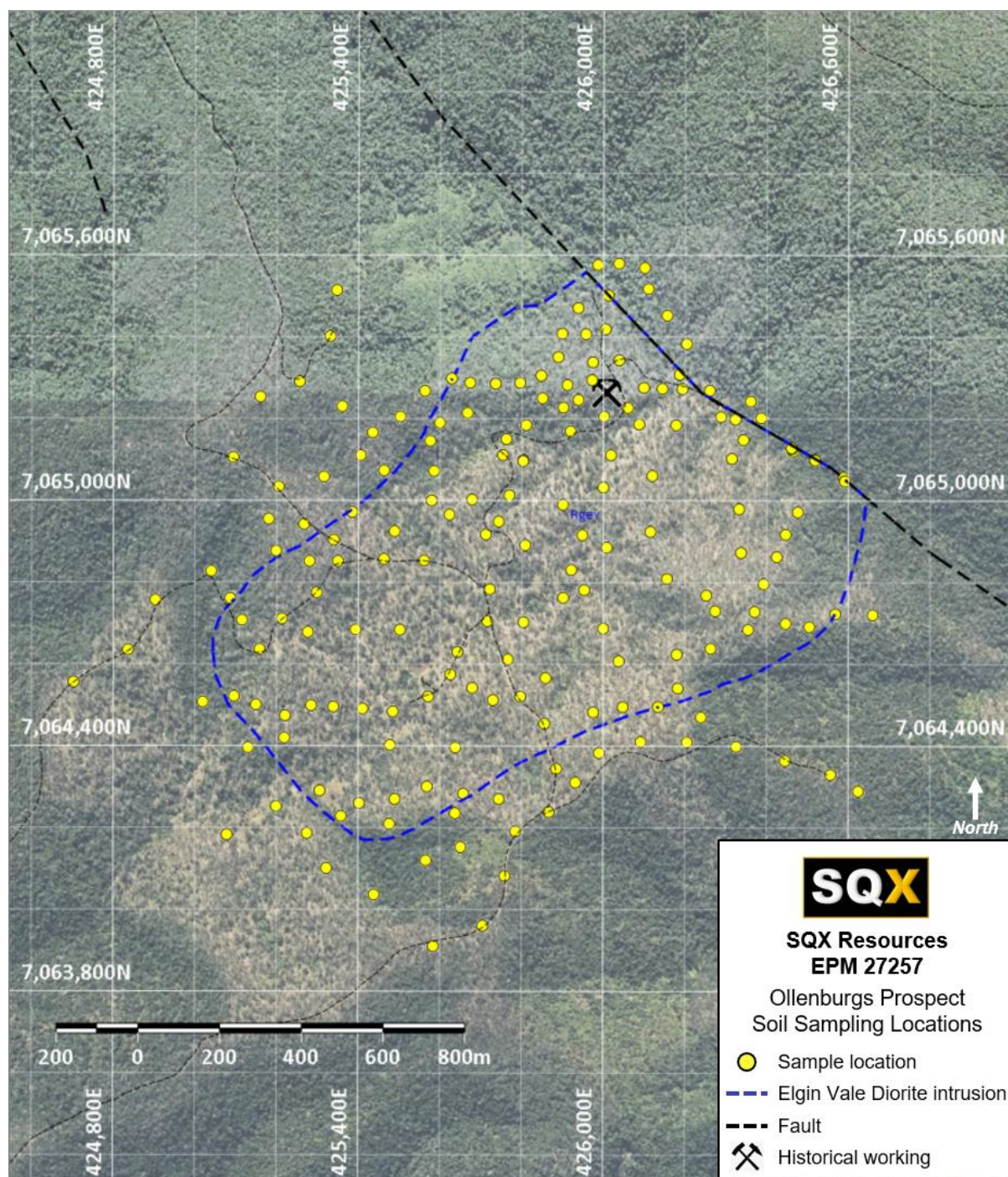


Figure 3: Ollenburgs Prospect map showing soil sampling locations, Ollenburgs historic copper workings and the Elgin Vale Diorite intrusion outline (blue)



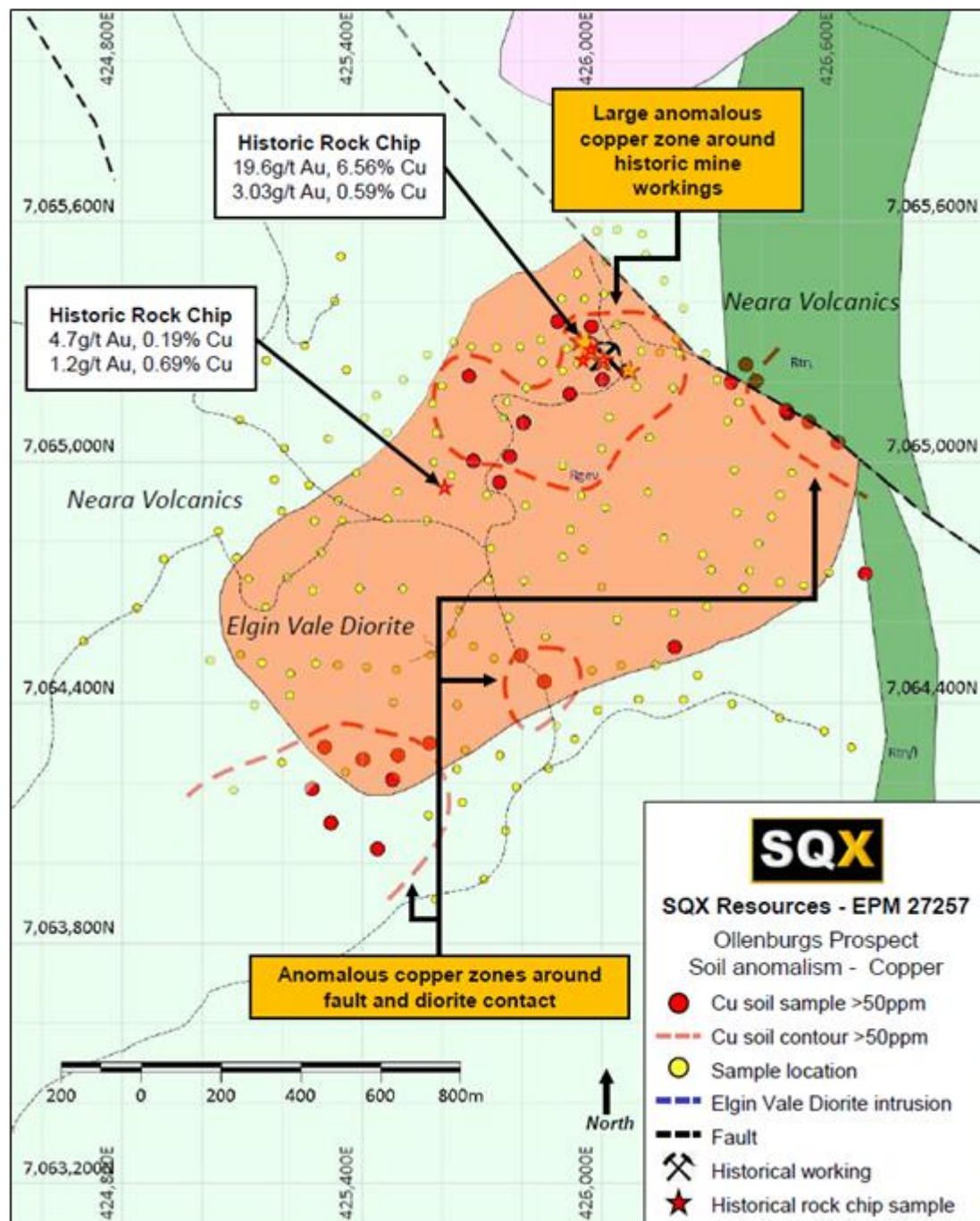


Figure 4: Ollenburgs copper prospect map showing soil sample location with 50ppm copper contour, geology, and historical rock chip samples containing copper or gold.

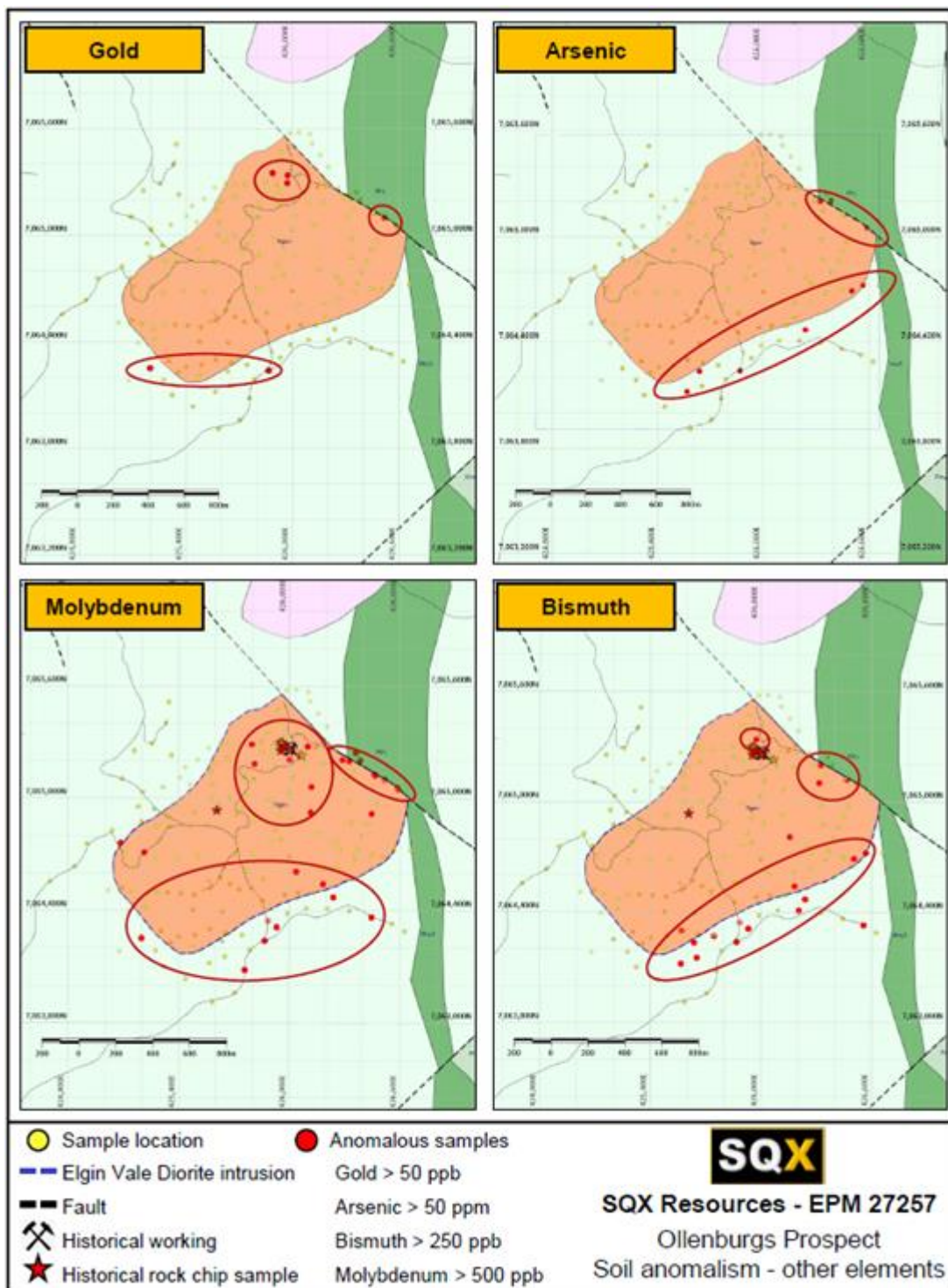


Figure 5: Ollenburgs prospect maps showing the location of soil samples with anomalous traces of gold, arsenic, bismuth, and molybdenum derived from recent assay results.



## **Corporate**

### Board and Management Transition

The Board changes followed a notice received under section 249D of the Corporations Act from Mounts Bay Investments Pty Ltd requesting the Company call and arrange to hold a general meeting of the Company to consider reconstitution of the Board.

Messrs Granzien and Cooper have elected to resign from their positions following feedback and discussions with shareholders of the Company, indicating that the resolutions proposed to be put at the general meeting would pass, so that SQX can move forward in a co-operative and positive matter.

Mr Glovac has over 20 years' experience within capital markets, specialising in corporate advisory, management and investment advice. He is also a highly experienced Company Director, holding positions across numerous ASX listed companies in the capacity as Managing Director, Executive Director, Chairman and Non-Executive roles. Mr Glovac currently serves on the board of Pure Resources Limited and Global Oil & Gas Limited. Previously Mr Glovac was founding director and shareholder of IperionX Limited.

Mr Sanders has more than 20 years' experience in corporate law. He has advised numerous entities, including ASX-listed and private companies on capital raising, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance, as well as commercial transactions across a range of industries and jurisdictions. In addition to his legal qualifications, David has a Bachelor of Commerce and Graduate Diploma of Applied Finance and Investments from the Securities Institute of Australia. David is currently Chairman of ASX listed Javelin Minerals Limited and SI6 Metals Limited.

During the quarter, SQX's Chief Executive Officer, Mr Mark Purcell, resigned to focus on other business interest.

### Business Development

During the quarter SQX considered several project opportunities. SQX will continue to identify and review projects which support its strategy of building a portfolio of exploration, development, and operating mining assets.

### Cash Position

As at 30 June 2023, SQX held \$2.61m cash at bank.

### Use of Funds

Pursuant to ASX Listing Rule 5.3.4 SQX provides a comparison of its actual expenditure since admission to the ASX on 16 February 2023 against the estimated expenditure set out in SQX's Prospectus dated 30 November 2022 (SQX was previously named South-East Queensland Exploration Limited).

During the period, SQX spent \$143k on exploration activities at EPM 27257. SQX also spent \$218k on operating costs, including non-executive directors' fees. SQX's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 which constitutes non-executive directors' (A\$22k) fees paid during the quarter.



	Estimated Expenditure from Prospectus	Expenditure from ASX Admission (16 Feb 2023) to 30 September 2023	Variance
<b>Exploration &amp; Development</b>			
<b>Year 1</b>			
Tenement Management/Land Access	94,000	40,510	53,490
Geochemical	153,000	39,931	113,069
Geophysical	148,000	1,320	146,680
Data review/targeting	3,000	-	3,000
Drilling	921,787	912,358	9,429
Evaluation and Support	161,000	150,195	10,805
<b>Year 2</b>			
Total Year 2 Exploration & Development	1,543,000	-	1,543,000
<b>Corporate</b>			
Administration costs	1,113,485	521,723	591,762
Working capital	167,827	-	167,827
Costs of the offer	394,901	456,028	61,127
Repayment of seed loans	300,000	300,000	-
<b>Total</b>	<b>\$5,000,000</b>	<b>\$2,422,065</b>	

Figure 6: Estimated expenditure vs. actual – 16 February 2023 to 30 September 2023

### Additional ASX Listing Rule Information

SQX provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

- EPM 27257 (granted) in Queensland – 15 sub blocks – 100% owned
- EPM 28578 (under application) in Queensland – 44 sub blocks – 100% owned

Mining tenements acquired during the quarter and their location

- Not applicable

Mining tenements disposed of during the quarter and their location

- Not applicable

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

- Not applicable

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

- Not applicable

This announcement has been approved and authorised to be released to the ASX by the Board of Directors of SQX Resources Limited.

**– ENDS –**

For further information please contact:

### SQX Resources Limited

Patric Glovac

Executive Chairman

E: [info@sqxresources.com](mailto:info@sqxresources.com)

Additional information is available at [sqxresources.com](http://sqxresources.com).

## About SQX Resources Limited (SQX)

SQX is a modern mineral exploration company dedicated to delivering shareholder value by building a portfolio of exploration, development, and operating assets. Its current focus is on gold and copper mineralisation at the Ollenburs and Scrub Paddock prospects, located on EPM 27257 in the underexplored Esk Basin in southeast Queensland near major regional infrastructure and population centres. Both prospects feature known mineralisation and historical mine workings.

## Scrub Paddock

Identified as a potential gold-copper porphyry, the Scrub Paddock Prospect features more than 20 historical mine workings with surface mineralisation extending across a ~2km strike length. Soil sampling and drilling have already confirmed gold and copper mineralisation; the extent of this mineralisation, both along the strike of the surface anomaly and at depth, is unknown. The Company is aiming to define an economic mineral resource.

## Ollenburs

Ollenburs hosts potential for a copper-gold porphyry system and features several copper/gold/silver mine workings, an anomaly visible on aeromagnetic mapping, a surface soil and rock-chip geochemical anomaly across ~300x50m and no historical drilling.

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## Previous Disclosure – 2012 JORC Code

The information in this release that relates to Exploration Results, Exploration Targets and Exploration Data for SQX's Projects was extracted from the following ASX Announcement:

- ASX Announcement titled "Ollenburs Soil Sampling and Scrub Paddock Assay Update" dated 19 May 2023
- ASX Announcement titled "Initial Assay Results Confirm Broad Gold Mineralisation" dated 3 July 2023
- ASX Announcement titled "Soil Sampling Identifies Multiple Anomalous Copper Zones" dated 7 July 2023
- ASX Announcement titled "Extended Scrub Paddock Intercept of 553m @ 0.10 g/t Au" dated 19 July 2023

A copy of such announcements is available to view on the SQX Resources Limited website [www.sqxresources.com](http://www.sqxresources.com). The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. All material assumptions and technical parameters underpinning estimates in the relevant market announcement continue to apply and have not materially changed.

## Competent Person's Statement

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Ian Kelso, who is an experienced geologist and a Member of The Australasian Institute of Mining and Metallurgy. Mr Kelso is a Consulting Geologist for the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves.' Mr Kelso consents to their inclusion in the report of the matters based on this information in the form and context in which it appears.

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

**SQX RESOURCES LIMITED**

ACN

**659 090 338**

Quarter ended ("current quarter")

**30 September 2023**

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(93)	(93)
	(e) administration and corporate costs	(126)	(126)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(218)</b>	<b>(218)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(143)	(143)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(143)</b>	<b>(143)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,967	2,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(218)	(218)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(143)	(143)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,606</b>	<b>2,606</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4	15
5.2	Call deposits	2,602	2,951
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,606</b>	<b>2,966</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	22
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(218)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(143)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(361)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,606
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,606
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.22
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2023

Authorised by: The Board of Directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.