

ASX: SQX

30 April 2024

MARCH 2024 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Soil Sampling completed at the Scrub Paddock where SQX is targeting a copper/gold porphyry system**
 - **106 Soil Samples and 1 rock samples collected**
 - **The program was completed on time, underbudget and with no incidents reported**
 - **Strong focus on identifying complimentary opportunities in the critical minerals sector to build out the portfolio of assets**
 - **Continued assessment of development options for existing exploration assets: Scrub Paddock and Ollenburgs**
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SQX Resources Limited (**SQX** or **Company**) is pleased to release this Quarterly Activities Report for the quarter ending March 2024.

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

“SQX has continued to deliver on its plan in the first quarter of 2024 with the completion of our sampling program marking another important milestone in our exploration efforts. We are encouraged by the progress made thus far.

“SQX has and is continuing to identify and assess complimentary business development opportunities which support our strategy of leveraging existing assets and building a portfolio of exploration, development and operating assets.”

Scrub Paddock

During the quarter, SQX completed a sampling program on its wholly owned tenement, EPM 27257, which focused on the highly prospective Scrub Paddock Prospect (**Scrub Paddock**) (Refer to ASX Announcement - Exploration Works Re-commenced at Scrub Paddock – dated 5 February 2024). The sampling program, in conjunction with planned geophysical studies, was designed to optimise placement of drill holes for a future drill program at Scrub Paddock.

Over the course of a week, the Company collected 106 soil samples including 6 samples for assay quality control and 1 rock sample. The area targeted by sampling program was located close to the Company's drill program completed in March 2023 (Refer to ASX Announcement - Drilling Commences at Scrub Paddock – dated 8 March 2023).

The collected samples were dispatched to a laboratory for comprehensive testing, with results released following the quarter (Refer to ASX Announcement - Geochemical Program Identifies New Copper/Gold Targets – dated 5 April 2024).

The sampling program was completed on time, under budget and with no incidents report. SQX remains committed to maintaining transparency and timely communication with its stakeholders as it progresses through this phase of exploration.

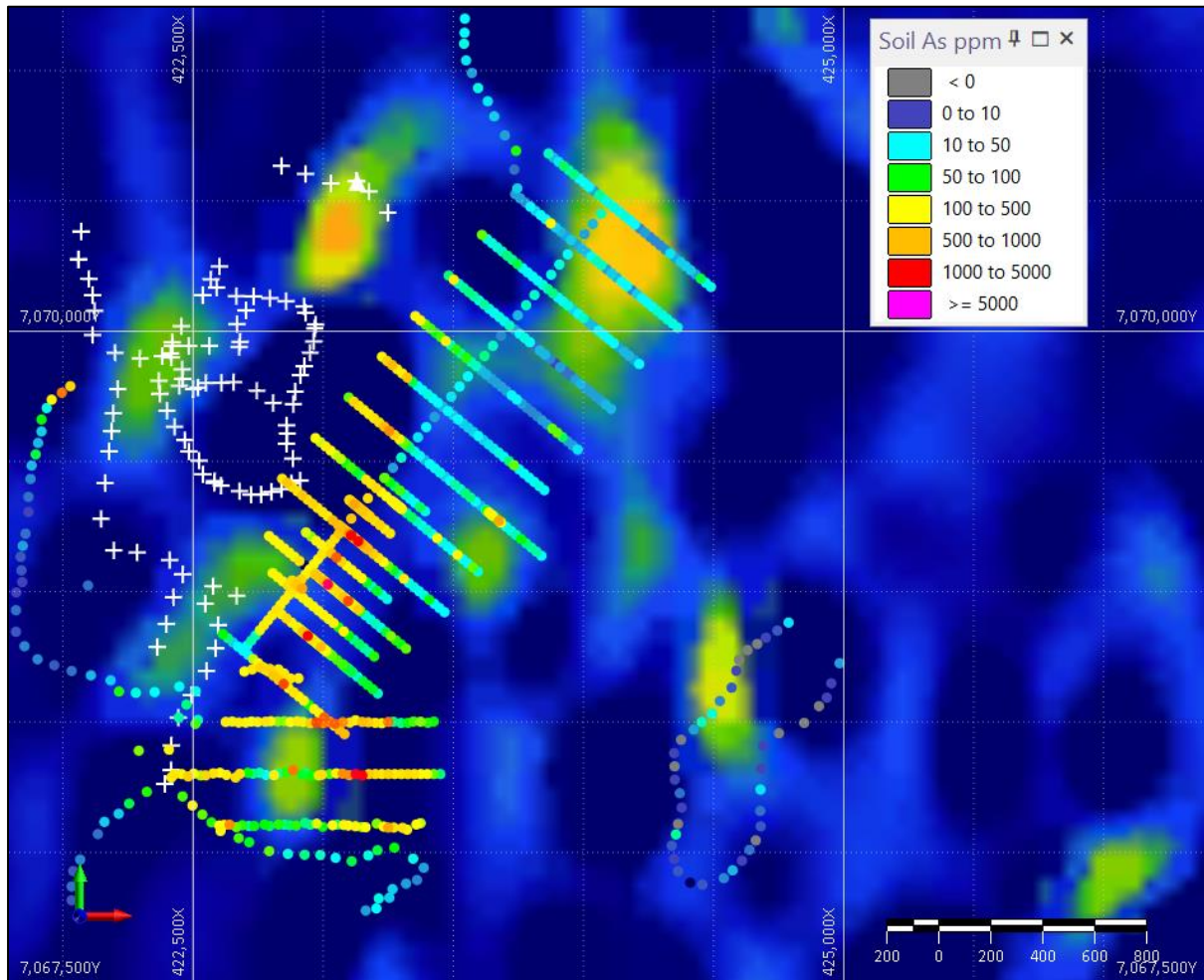


Figure 1: EPM27257 Scrub Paddock prospect showing the January soil sampling locations with previous drilling, soil geochemistry (Arsenic) and magnetic image at -300m below surface.



Figure 2: SQX geological consultants collecting soil samples at the Scrub Paddock prospect.

The Scrub Paddock area is prospective for gold-copper porphyry and features more than 20 mineral occurrences and 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.

Corporate

Business Development

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

Cash Position

As at 31 March 2024, SQX held \$2.27M 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 \$62K on exploration activities at EPM 27257. SQX also spent \$123k 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\$47k) fees paid during the quarter.

	Estimated Expenditure from Prospectus	Expenditure from ASX Admission (16 Feb 2023) to 31 March 2024	Variance
Exploration & Development			
Year 1			
Tenement Management/Land Access	94,000	42,632	Timing.
Geochemical	153,000	100,698	Timing.
Geophysical	148,000	1,320	Timing.
Data review/targeting	3,000	-	Not performed.
Drilling	921,787	912,358	Savings in cost.
Evaluation and Support	161,000	150,195	Savings in cost.
Year 2			
Total Year 2 Exploration & Development	1,543,000	-	1,543,000
Corporate			
Administration costs	1,113,485	826,692	286,793
Working capital	167,827	-	167,827
Costs of the offer	394,901	456,028	- 61,127
Repayment of seed loans	300,000	300,000	-
Total	\$5,000,000	\$2,789,923	

Figure 3: Estimated expenditure vs. actual – 16 February 2023 to 31 March 2024

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

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Additional information is available at 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 Ollenburgs 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.

Ollenburgs

Ollenburgs 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.

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.

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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(47)	(190)
(e) administration and corporate costs	(103)	(336)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	52
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)	-	-
1.9 Net cash from / (used in) operating activities	(125)	(474)

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(62)	(221)
(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	-	-
2.6 Net cash from / (used in) investing activities	(62)	(221)

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,459	2,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(125)	(474)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(62)	(221)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,272	2,272

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	362	259
5.2 Call deposits	1,910	2,200
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,272	2,459

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	47
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(125)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(62)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(187)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,272
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,272
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.15
<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 April 2024

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.