

ASX: SQX

29 July 2024

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B

HIGHLIGHTS

- **Soil Sampling results at the Scrub Paddock Prospect identified 2 new areas for exploration targeting a copper/gold porphyry system.**
- **Geochemical anomalies overlies a magnetic high on the western side of the Elgin Vale Diorite, and the southwest extension of the known mineralisation intersected in drilling.**
- **Commencement of desktop study to plan for high impact exploration of the 2 new areas targeting a copper/gold porphyry system.**
- **Preparation of drill report detailing high priority drill targets underway.**
- **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.**

SQX Resources Limited (**SQX** or **Company**) is pleased to release this Quarterly Activities Report for the quarter ending 30 June 2024 (**Quarter**). The primary activities of the Company for the Quarter were the interpretation of the results from the soil sampling program (refer ASX announcement – *Geochemical Program Identifies New Copper/Gold Targets* – released 5 April 2024) and the commencement of a desktop study (refer ASX announcement – *Commencement of Scrub Paddock Desktop Study* – released 27 June 2024).

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

"SQX has continued to deliver on its plan in the second quarter of 2024 with the successful interpretation of results from our sampling program completed in the first quarter of 2024. This marks another important milestone in our exploration efforts. We are encouraged by the progress made thus far.

"We have continued the momentum with the commencement of a desktop study aim at delineating high-priority drill targets to unlock the value of our projects.

"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 Soil Sampling Program – SQX Soil Sampling Overview

The SQX soil sampling program was designed to extend the surface geochemistry further west and southwest from the main geochemical anomaly over features identified in the regional magnetics (Figure 2) and the induced polarisation (**IP**) geophysical survey completed by SQX in 2022 (Figure 3). The magnetic features and IP chargeability anomaly could potentially represent alteration or copper-gold mineralisation in the Elgin Vale Diorite intrusion or the adjacent Neara Volcanics (andesite lava flows and volcanoclastics). The southern copper soil geochemical anomaly was partially tested by SQX borehole SP006 in the 2023 drill program

intersecting 32m at 0.23g/t gold (including 2m at 2.22g/t gold from 240m) at the end of the borehole (refer ASX Announcement - *Extended Scrub Paddock Intercept of 553m @ 0.10 g/t Au* - 19 July 2023).

The SQX program comprised a total of 106 B-horizon soil samples (including QA/QC samples) collected at the locations shown in Figure 1. Further soil sampling was restricted by active forestry logging operations to the northwest of Scrub Paddock and rainfall. Samples were collected with a spacing of typically 50m to 75m, with forestry logging tracks used to determine the collection sites. The samples collected by SQX 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.

Scrub Paddock Soil Sampling Program – SQX Soil Sampling Results

The SQX soil sampling program identified two prospective areas. The magnetic high on the western contact of the Elgin Vale Diorite (Area 1), and to the west of SQX borehole SP006 (Area 2). The sample assay results identified anomalous copper, arsenic, and detected trace levels of gold associated with the other elements (Figures 4 to 6).

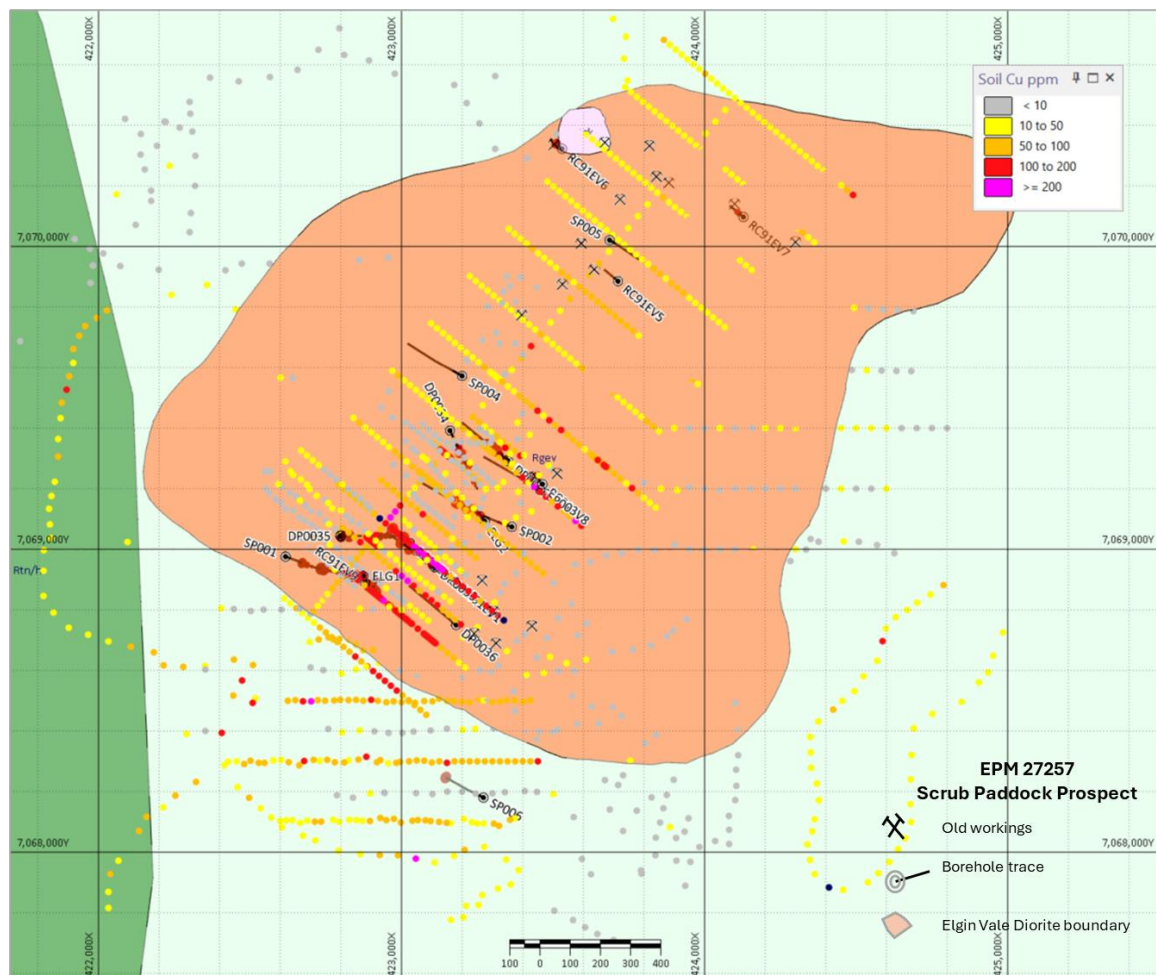


Figure 1 EPM27257 Scrub Paddock prospect mapped boundary of the Elgin Vale Diorite with historical copper (Cu ppm) soil geochemistry within and surrounding the intrusion boundary, borehole traces with gold intercepts, and mineral occurrences.

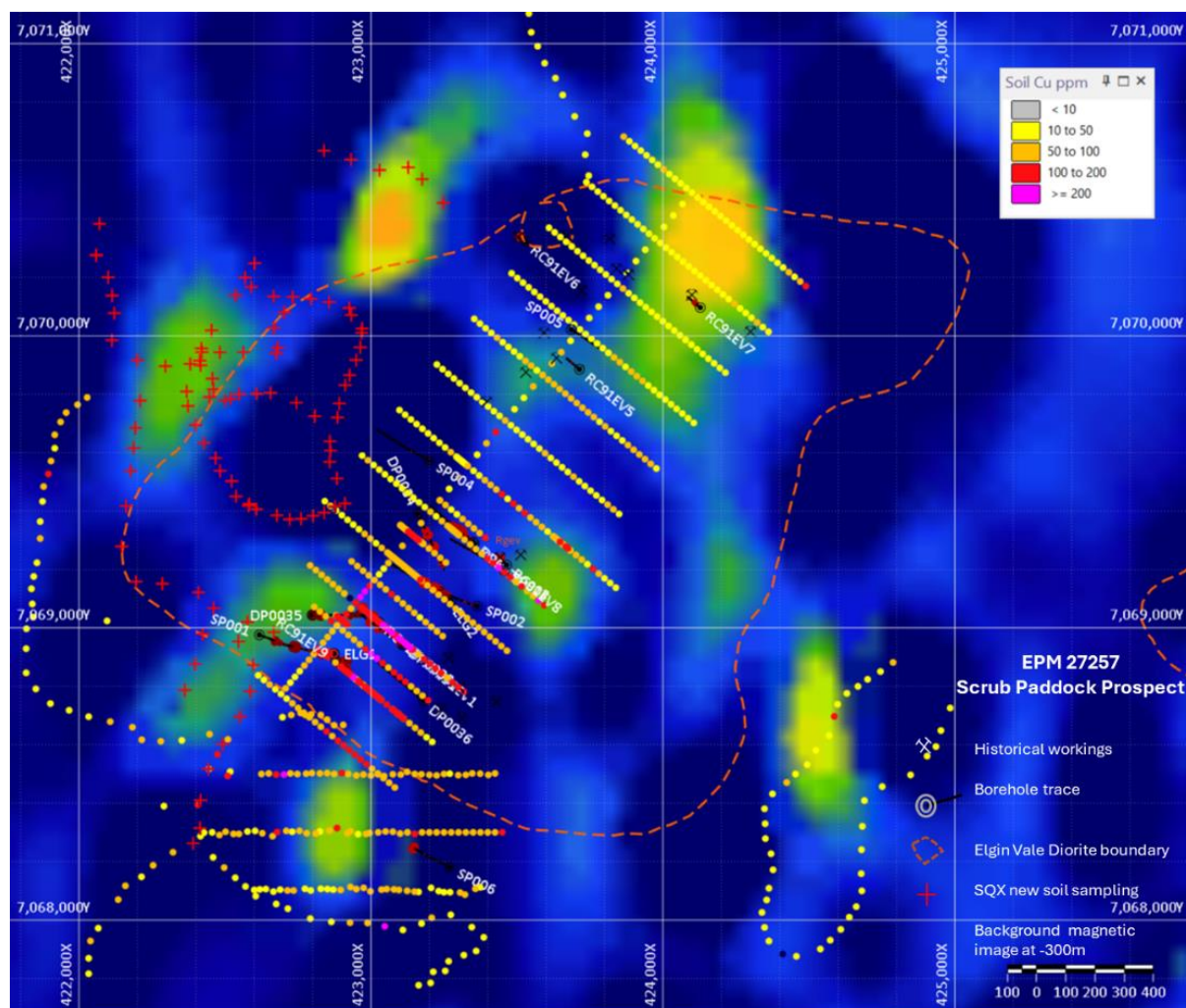


Figure 2 EPM27257 Scrub Paddock prospect with magnetic image slice at -300m below surface background with new SQX soil samples (red cross), mapped boundary of the Elgin Vale Diorite, historical copper (Cu ppm) soil geochemistry, borehole traces, and mineral occurrences.

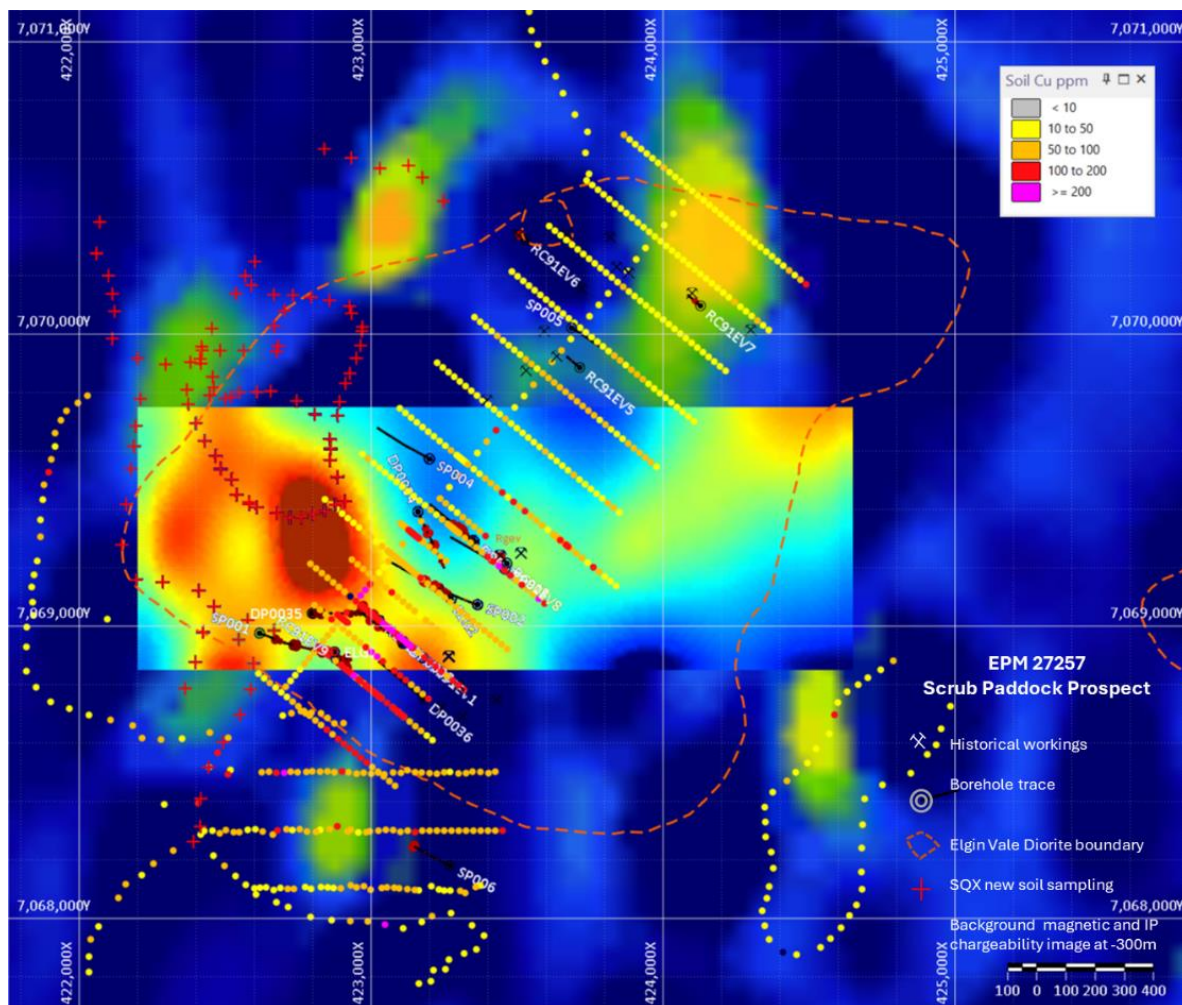


Figure 3 EPM27257 Scrub Paddock prospect with magnetic and IP chargeability image slice at -300m below surface background with new SQX soil samples (red cross), mapped boundary of the Elgin Vale Diorite, historical copper (Cu ppm) soil geochemistry, borehole traces, and mineral occurrences.

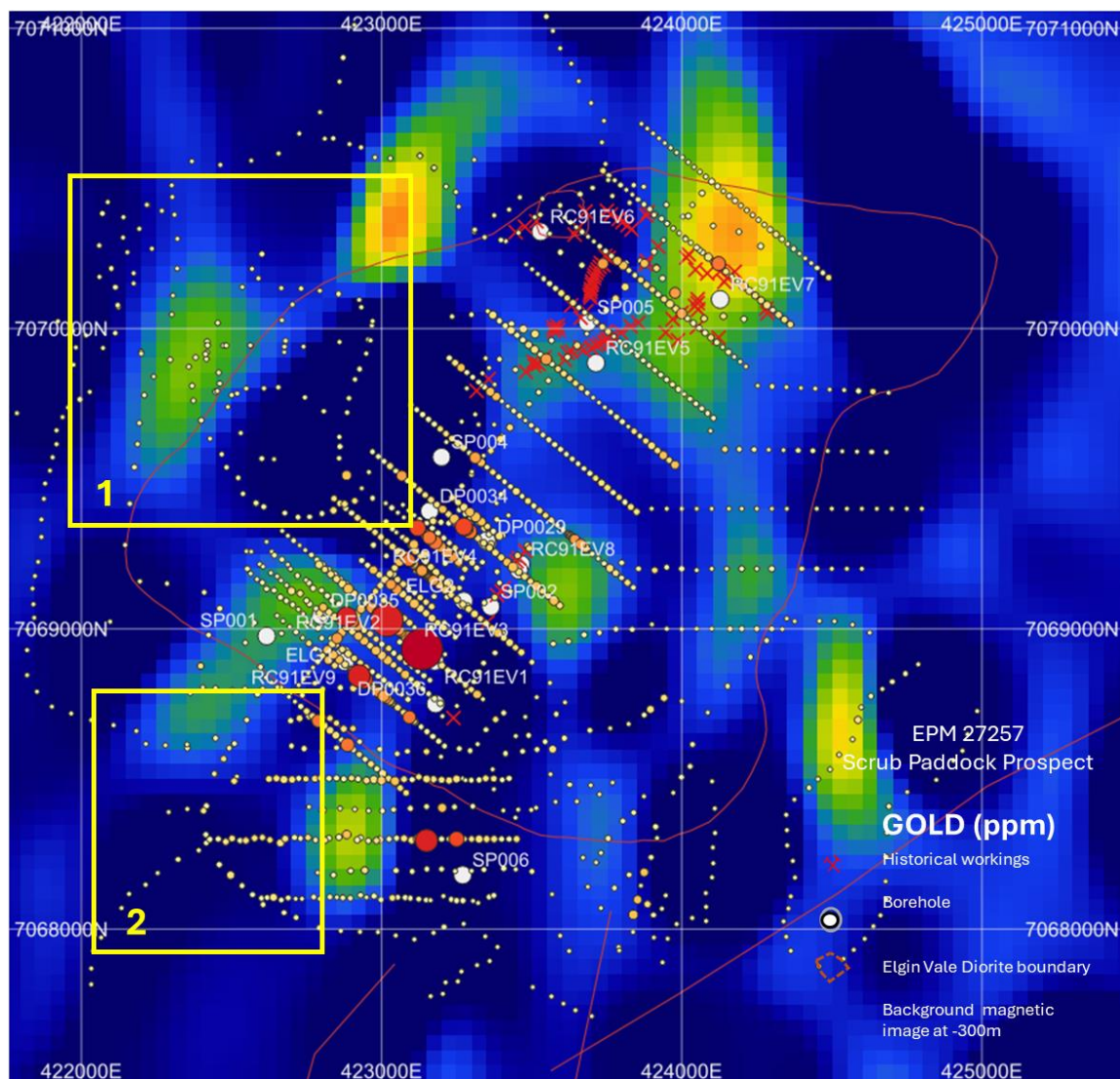


Figure 4 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with gold (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

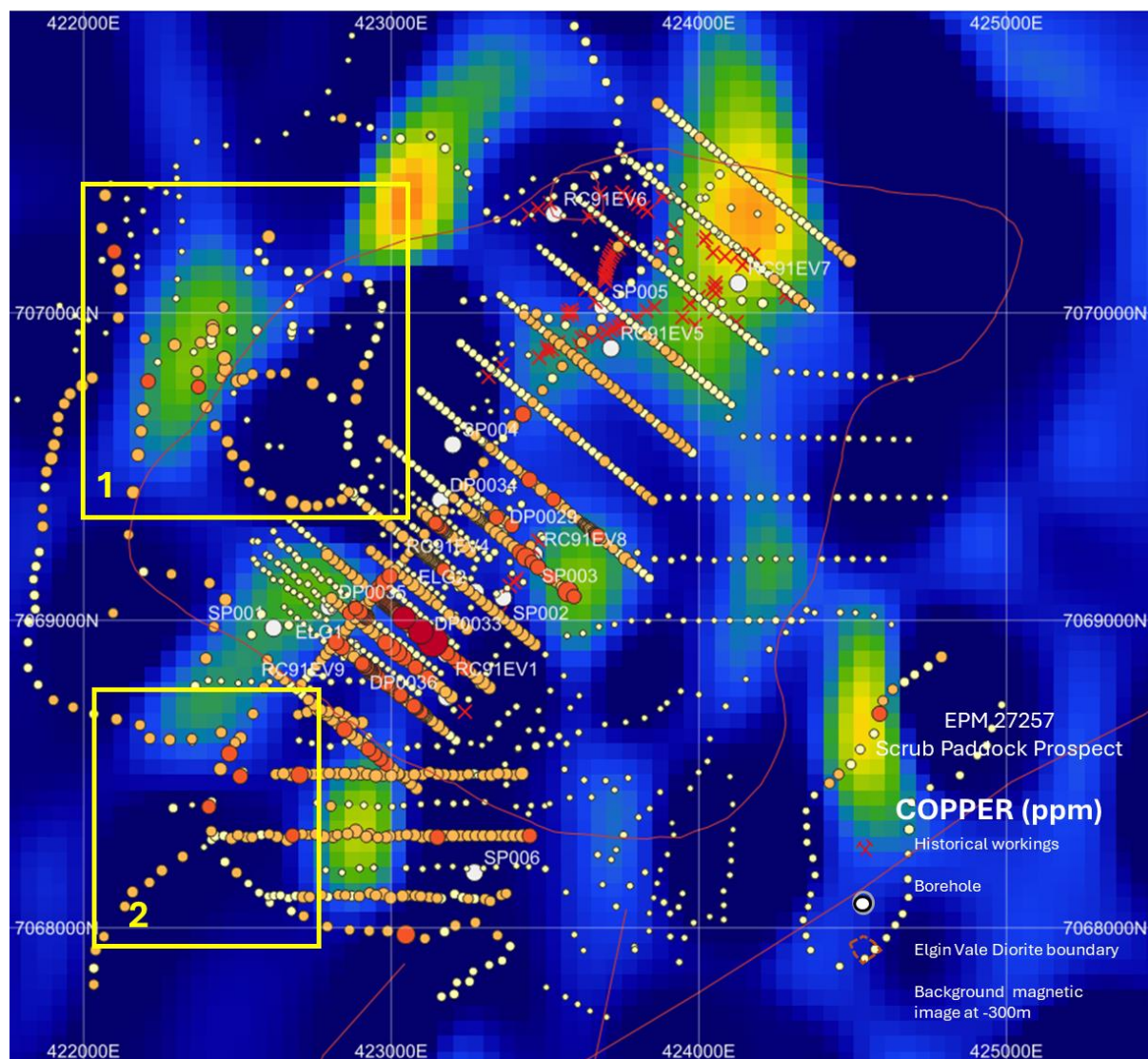


Figure 5 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with copper (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

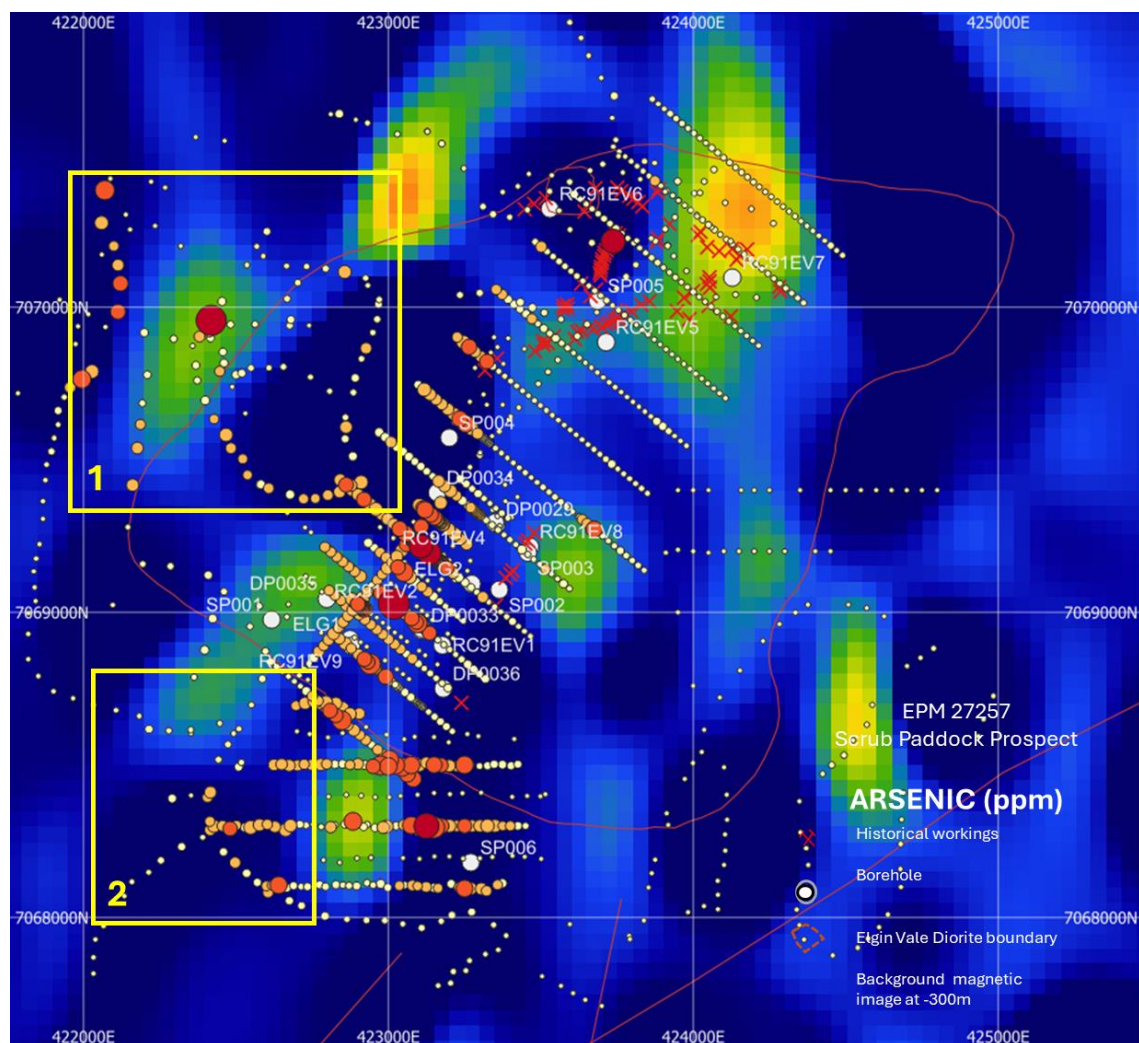


Figure 6 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with arsenic (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

Other elements such as antimony, bismuth, and molybdenum which are pathfinder elements for porphyry types of mineralisation were also elevated in Areas 1 and Area 2 (Figures 7 to 9).

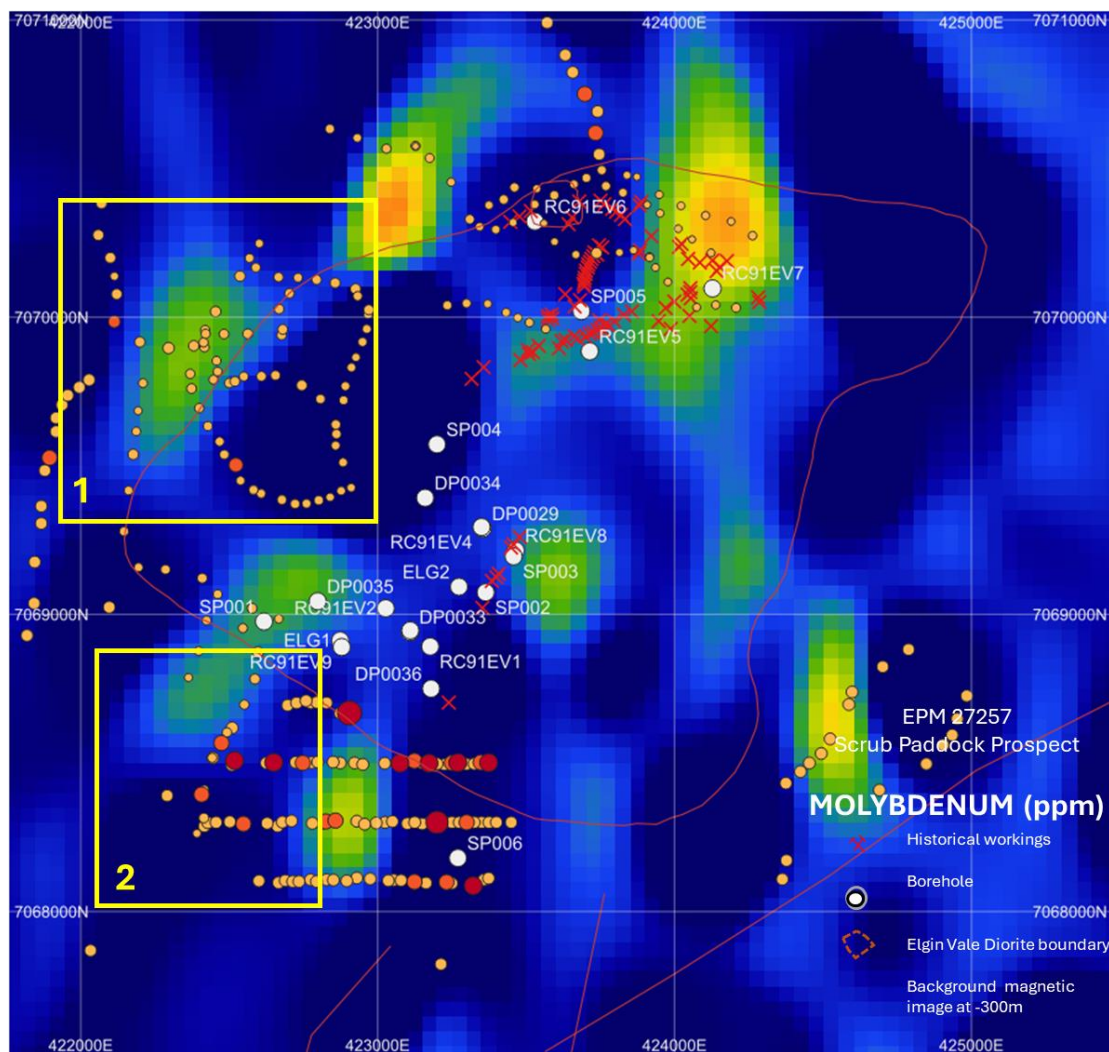


Figure 7 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with molybdenum (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

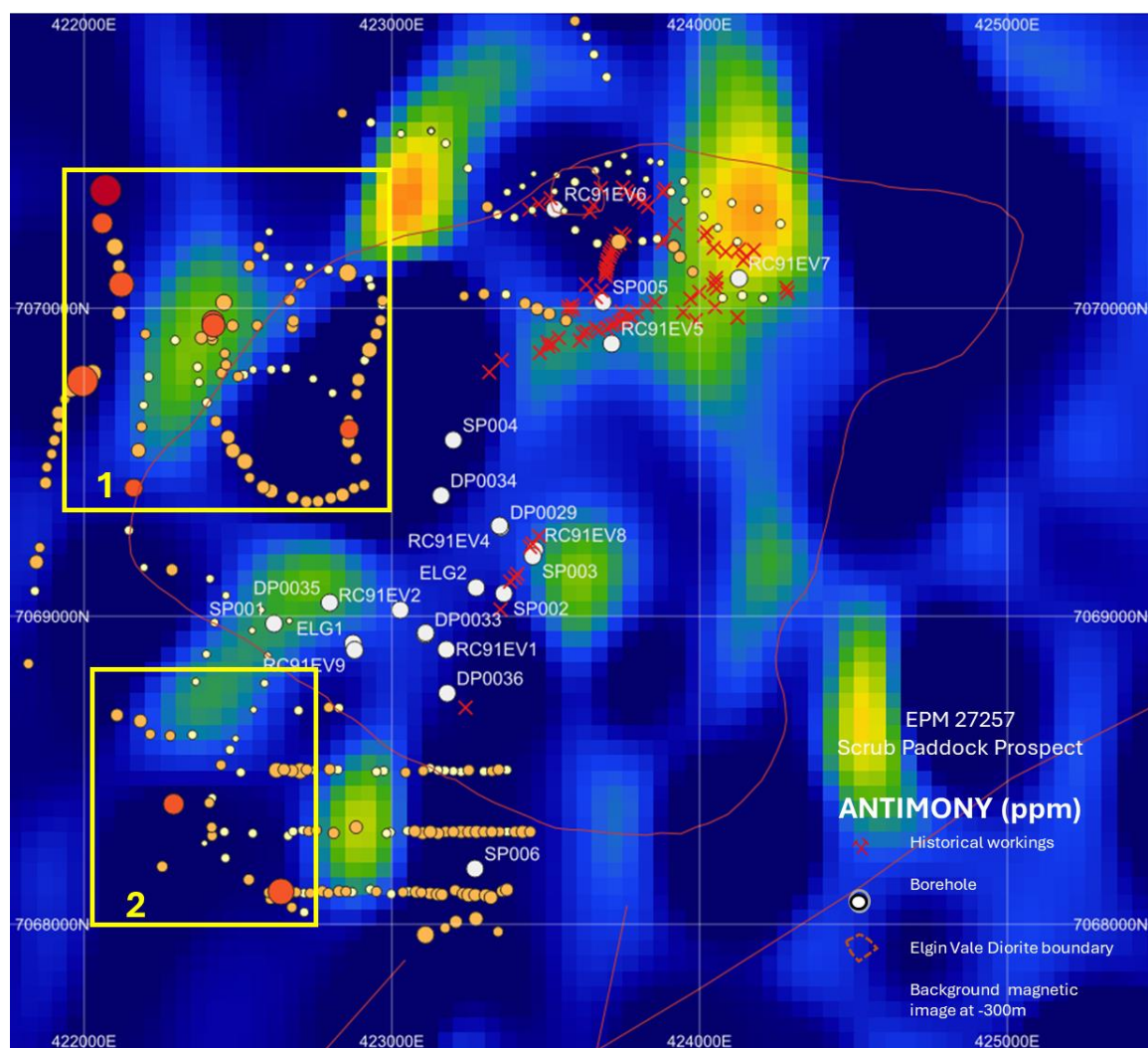


Figure 8 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with antimony (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

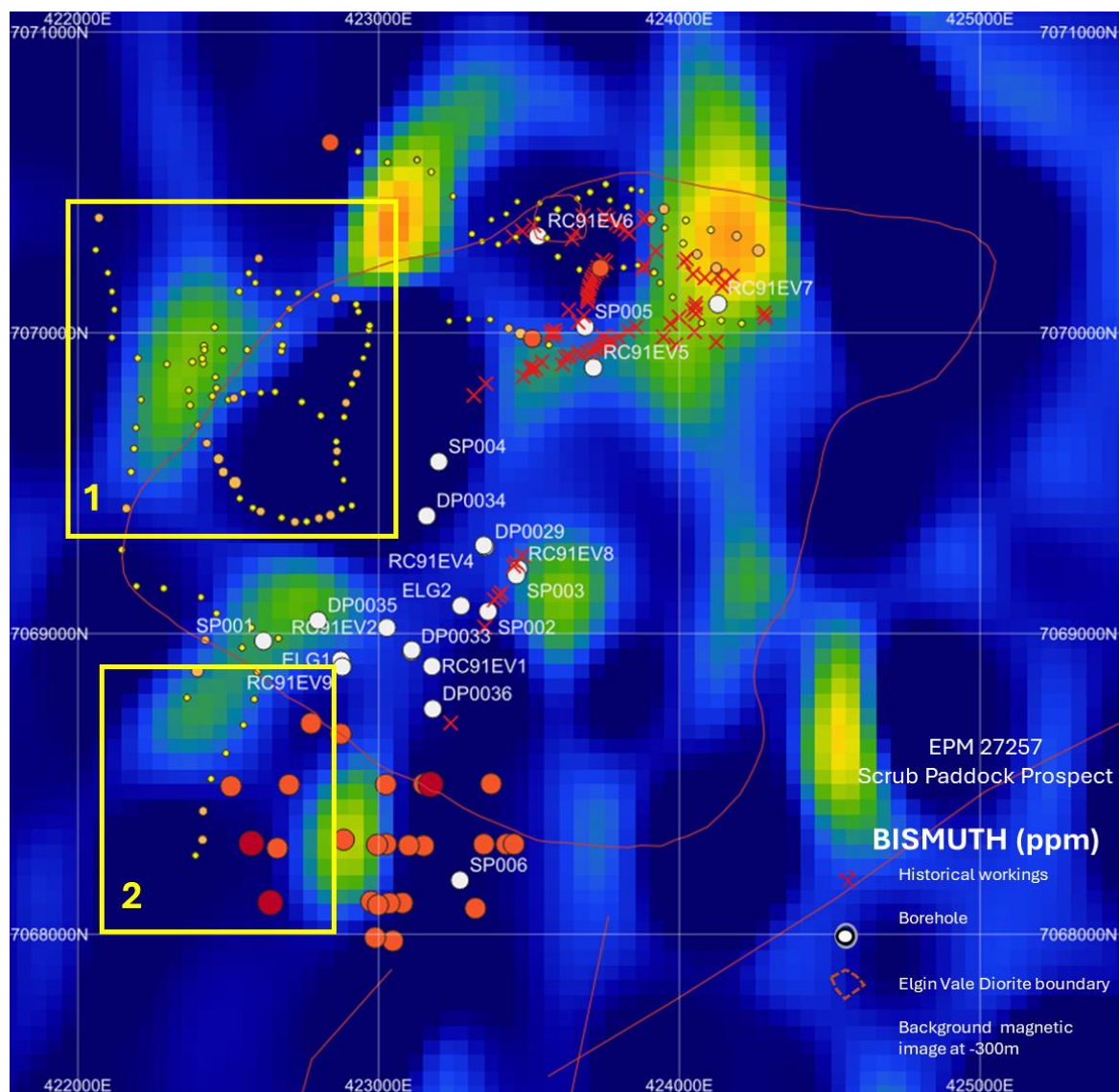


Figure 9 EPM27257 Scrub Paddock prospect with magnetic image with new target areas with bismuth (ppm) SQX and historical soil samples, mapped boundary of the Elgin Vale Diorite, boreholes, and mineral occurrences.

Scrub Paddock Desktop Study

SQX has engaged a geological consultant to undertake a desktop study aimed at delineating high priority drill targets based on all available historical data and newly acquired data. The data derived from the successful Geochemical Program will be included in defining the high priority drill targets (refer ASX announcement – *Geochemical Program Identifies New Copper/Gold Targets* – released 5 April 2024).

All the data from the desktop study will form part of the drill report currently being prepared and will form the basis of future drill programs.

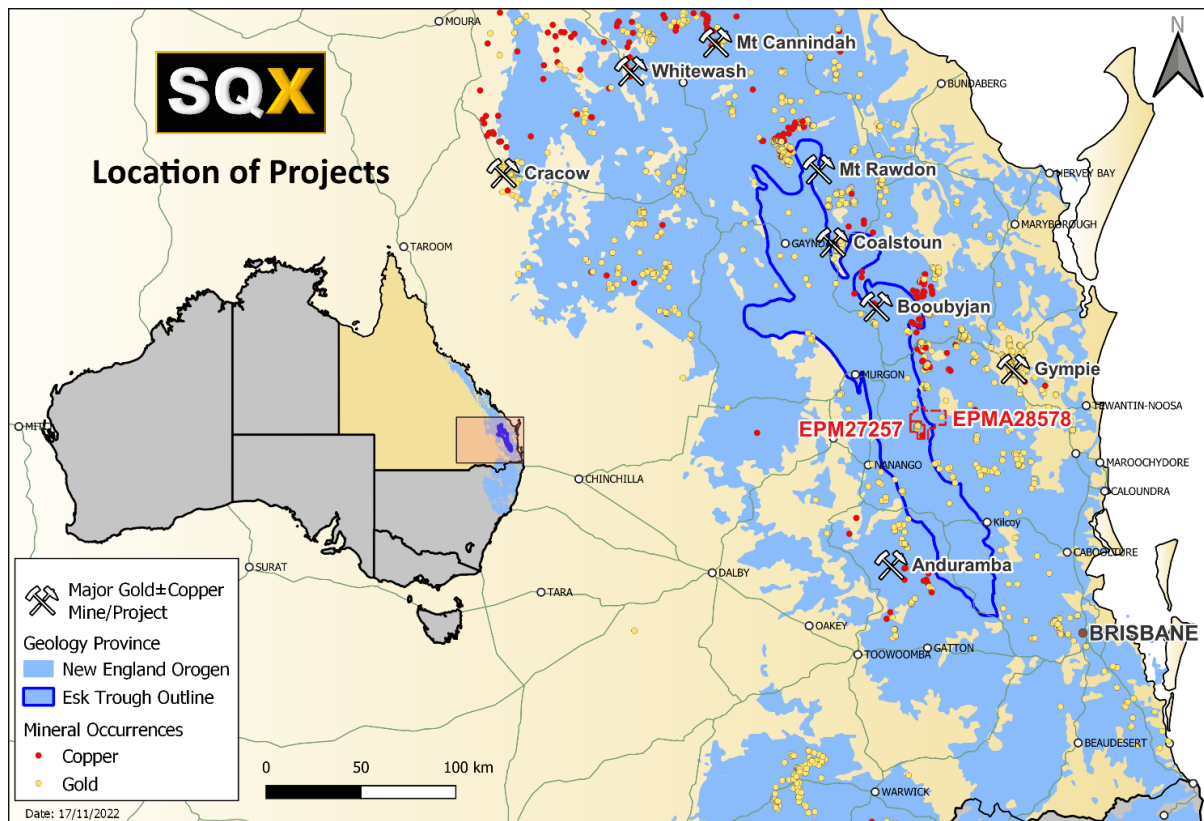


Figure 10 SQX's Location of Projects

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 30 June 2024, SQX held \$2.18M 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 \$45K on exploration activities at EPM 27257. SQX also spent \$50k on operating costs, including directors' fees. SQX's accompanying Appendix 5B (**Quarterly Cashflow Report**) includes an amount in item 6.1 which constitutes directors' (\$47k) fees paid during the quarter.

	Quarterly Report		
	Estimated Expenditure from Prospectus	Expenditure from ASX Admission (16 Feb 2023) to 30 June 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	45,382	Timing.
Corporate			
Administration costs	1,113,485	897,396	Timing.
Working capital	167,827	-	Timing.
Costs of the offer	394,901	456,028	Timing.
Repayment of seed loans	300,000	300,000	-
Total	\$5,000,000	\$2,906,009	

Figure 11: Estimated expenditure vs. actual – 16 February 2023 to 30 June 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 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.

Competent Person's Statement

The information in this announcement that relates to historical exploration results were reported by the Company in accordance with listing rule 5.7 on 19 July 2023, 5 April 2024 and in SQX's Prospectus dated 30 November 2022, released to ASX on 16 February 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the original announcements

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 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	(236)
	(e) administration and corporate costs	(127)	(463)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	72
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)	104	104
1.9	Net cash from / (used in) operating activities	(50)	(523)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(45)	(266)
	(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	(45)	(266)

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 (12 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	2,272	2,966
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(50)	(523)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(266)
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	2,177	2,177

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	347	362
5.2	Call deposits	1,830	1,910
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)	2,177	2,272

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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(50)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(45)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(95)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,177
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,177
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	22.92
<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: 29 July 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.