QX Resources Limited

Robust Gold Anomaly at Red Dog Defined by Soil, Rock Chip and Geophysics over a 675m Mineralised Trend

- **Detailed infill soil sampling program of 250 plus samples is now completed over the Big Red area of the Disney tenement (EPM 17703) providing for an expanded and clear gold anomaly, dubbed Red Dog, with a 675m mineralised trend southwest of the Big Red mineralisation zone.**

- **The threshold of Red Dog soil gold anomalism is 0.021 ppm Au as determined by the statistically robust two median absolute deviations method, and kriged interpolation peaks at 0.2 ppm Au with highest assayed soil grade being 0.58 ppm Au.**

- **Additional sampling of mineralized float/sub-crop within the Red Dog anomaly has returned assay results up to 2.89 g/t, 1.02 g/t, and 1.765 g/t Au.**

- **Second vertical derivative (vd) aeromagnetic survey over the area shows clear trends of magnetic destruction coincident with both the Red Dog anomaly and the Big Red mineralisation, as well as a separate parallel magnetic destruction anomaly correlating with the Apache mineralized zone to the northwest.**

- **The Red Dog/Big Red Magnetic destruction zone suggests a maximum on tenement strike length potential of 2.1km.**

- **Correlation between 2vd aeromagnetics magnetic destruction zone and kriged arsenic anomalism between Apache and Big Red highlight potential for further mineralisation between the two known gold zones.**

- **Sampling program builds on previous soil sample grids undertaken by Zamia Resources and BMA Gold Ltd.**

- **Trenching and drilling program to be planned immediately along the 675m Red Dog mineralised trend, coupled with extension of the soil sample grid.**

- **QX Resources owns a 50% interest in the Zamia Resources Project (with the right to go to 90%), which is strategically located within the Drummond Basin, Central Queensland, a region that has >6.5moz gold endowment and a long history of ongoing mining.**

- **Belyando and Lucky Break Mines on the Project produced ~93,000 oz Au (86,000 oz Au from Belyando and 7,000 oz Au from Lucky Break) from shallow open cut operations in late 1980s/early 1990s.**

- **Red Dog gold anomaly supports previous observations regarding compelling geology, which is vastly under-explored and under-developed.[1] *(Information contained in Zamia Gold Mines Limited prospectus dated 3 November 2006)***

QX Resources Limited

10 November 2020: QX Resources Limited (ASX: QXR, "QX" or "the Company") is pleased to announce that a 675m long gold in soil anomaly has been identified by a 2nd phase soil orientation survey on its Disney tenement (EPM 17703) in the Clermont Goldfield of central Queensland *(refer to Figure 1).*

Non-Executive Director Roger Jackson said: *"This is indeed an exciting result for QX Resources as it delivers a clear target for further development with the next step being trenching and drilling. Further, the float rock samples clearly show us that we are working with an epithermal system, which is consistent with other gold finds and mined deposits within the region. We are also encouraged by the parallel anomalous zone that lies between Red Dog and Apache. This first pass exploration program by the QX team shows we have a vastly under-explored project area and there's lots more upside. We look forward to upcoming trenching and drilling programs."*

The Disney tenement is dominated by a cover of late Tertiary to Quaternary silt, sand and gravel underlain by the late Devonian to Carboniferous Silver Hill Volcanics of the lower Drummond Basin sequence (which outcrop in the north of the tenement). The Drummond basin sequence, developed in a Carboniferous back-arc basin, was subsequently intruded by late Devonian granodiorites and late Carboniferous granitoids which rarely outcrop. Gold mineralisation in the Clermont Goldfield is largely related to intrusives into the Drummond basin. The tenement is prospective for:

- Mesothermal vein gold e.g. Lucky Break and Pajingo, 100 kilometres N of Clermont
- Porphyry-related vein and stockwork e.g. Dead Horse Bore, 90 kilometres N of Clermont
- Epithermal lode gold silver e.g. Twin Hills and Lone Sister, 125 kilometres N of Clermont
- Sediment-hosted gold e.g. Miclere, 25 kilometres N of Clermont
- Volcanogenic base metals ± gold e.g. Covah, Sally Ann 65 kilometres NE of Clermont
- Hydrothermal-related gold and base metals e.g. Retro Prospect, 30 kilometres SE of Clermont

The soil survey targeted areas of infill and extension of the Zamia Resources (**Zamia**) soils results from sampling undertaken in 2013, 2014 and 2015. Zamia sampled 1mm screened B horizon soils to a 100m by 200m grid. This was infilled by QX to 100m by 50m. Samples were assayed by ALS by 30g fire assay with ICP AES finish having a 0.001 ppm detection limit.

The gold anomalism cut-off grade was determined by the statistically robust two absolute median deviations method which yielded a cut-off grade of 0.021 ppm Au. A log empirical transform was applied to assay data to generate an automated exponential variogram for empirical Bayesian Kriging on a 5.6m cell, a maximum search distance of 100m oriented 40°N_{grid} and a 10 sample minimum 15 maximum search neighbourhood, using ArcMap 10.8 geostatistical tools.

This resulted in a contour map of gold anomalism which conforms well to the raw data within the bounds of the data points (but is aberrant to the northeast outside the sampled area) (see **Figure 2**). Arsenic data from the previous Zamia sampling was similarly kriged to derive As anomalism contours (see **Figure 3**), but silver and antimony data were too sparse or irregular to yield meaningful statistical results and anomaly zones for these elements were contour interpreted by hand (see **Figure 4** and **Figure 5**).

Analysis of the results shows a clear and localised zone of gold anomalism, christened Red Dog, 675m long strike by 255m cross strike, supported by coincident arsenic, antimony and silver anomalies, located 440m southwest along strike from the known Big Red mineralised zone identified by BMA Gold Ltd, and 1670m southeast of the known Apache

mineralisation.

Rock grab samples from soil float within the core of the Red Dog anomaly, taken during the soil programme, yielded grades up to 2.89 ppm Au; further supporting the anomaly (see **Figure 6**). Slab cutting specimens of the rock float shows a silica sericite altered granite with late stage fracture fill sulphides ± chlorite, and evidence of silica healed hydrothermal brecciation (see **Figure 7** and **Figure 8**). This is consistent with Zamia's 2014 determination that soils had a granitic provenance and identification of silica sericite fluorite altered granite at the bottom of RC hole WBRRC-001 (refer to *Zamia's announcement 31 July 2015 at* www.zamia.com.au). Preliminary interpretation of the quartz textures suggests mineralisation is epithermal-style gold.

Analysis of 2nd vertical derivative total magnetic intensity data reinterpreted for Zamia in 2011 by consultants Explore Pty Ltd, shows linear zones of magnetic destruction coinciding with Red Dog and Big Red on a single line, and with Apache on a parallel line (see **Figure 9**). This occurs when mineralising fluids permeate structures in the rock and cause alteration of magnetic mineral particles to non-magnetic minerals, as opposed to the better known positive magnetic anomalies caused by deposition or concentration of magnetic minerals in non- or weakly magnetic rock.

The mag' destruction linear spatially associated with Red Dog is strike parallel with an extent on tenement of 2.1km, which if genetically linked to mineralisation, constrains the maximum mineralisation strike length.

When the 2nd vertical derivative total magnetic intensity data is overlaid by the kriged arsenic contour map, a further target zone equidistant between Red Dog and Apache is evident where elevated As and parallel magnetic lows coincide (see **Figure 10**). This target lies within the Zamia 2014 soil sample grid which was not assayed at high resolution for gold, and outside Zamia's 2015 100m by 100m high resolution assay gold grid and QX's 2020 50m by 100m high resolution gold assay infill grid. Further testing on this target is in planning for rapid follow-up.

Costeaning for spatial control and RC drilling are in planning for immediate follow up on the Red Dog gold Anomaly.

Figure 1: Project location.

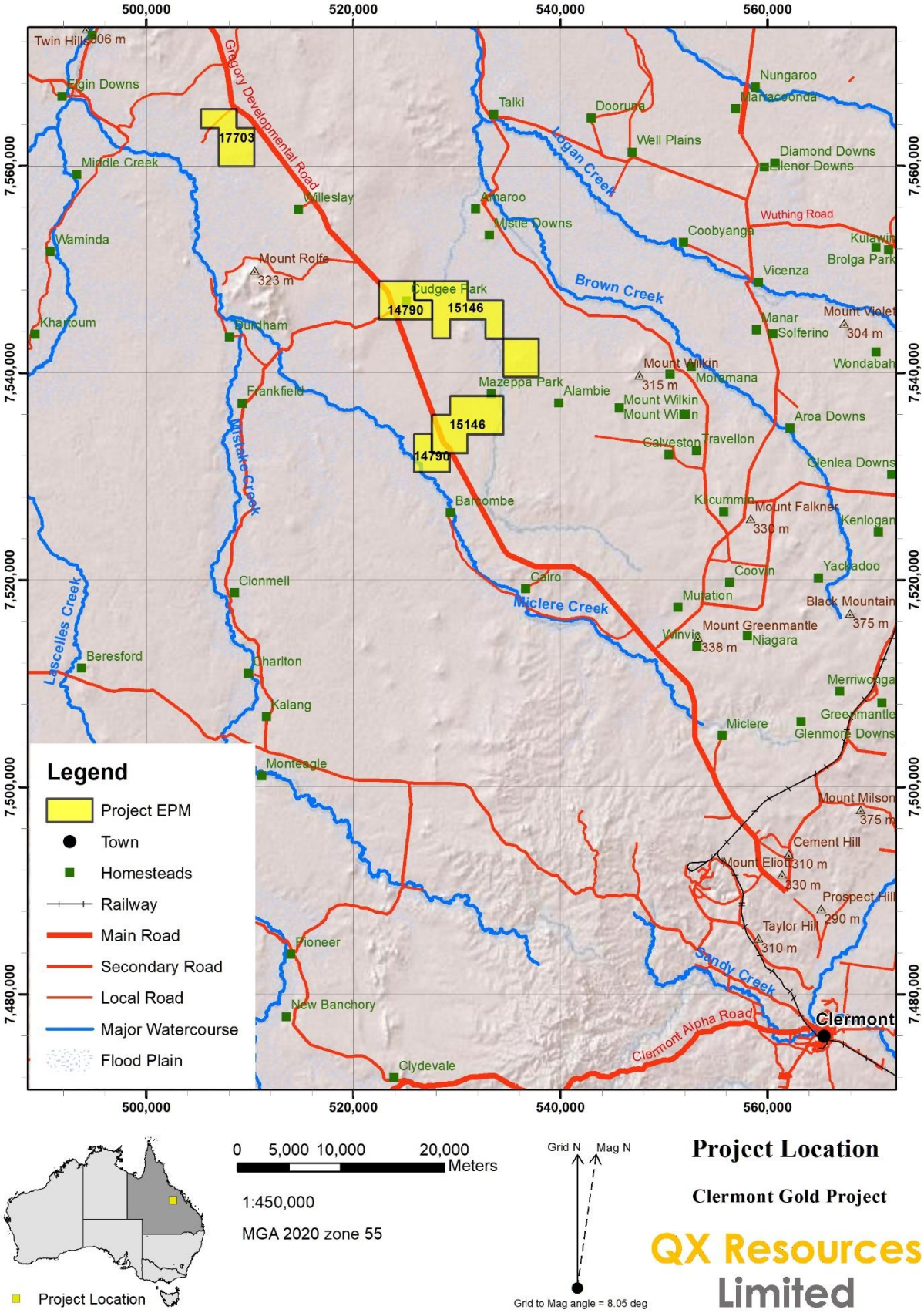


Figure 2: Kriged gold anomalism and gold soil sample grid showing the Red Dog anomaly on strike to the southwest of Big Red.

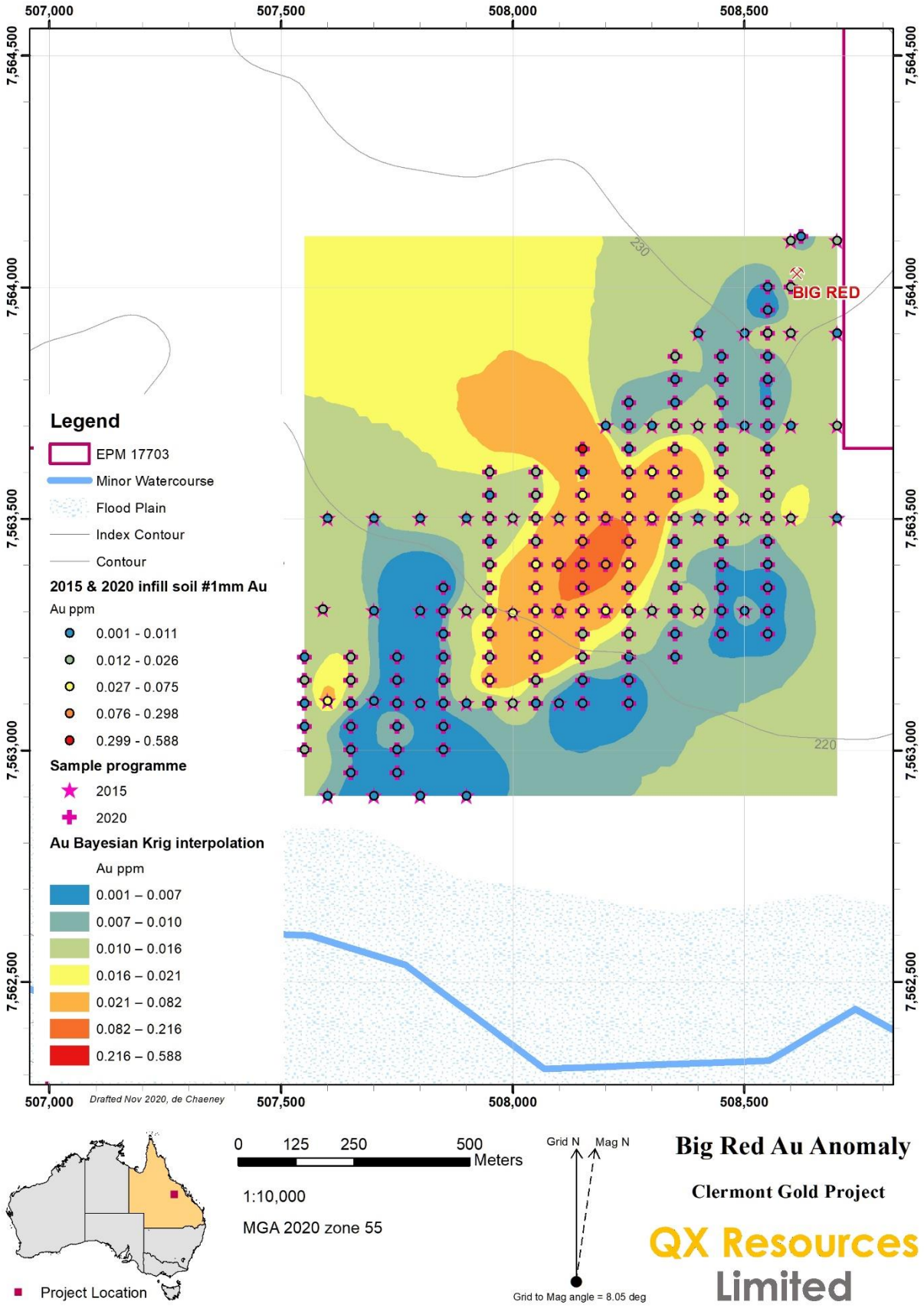


Figure 3: Kriged arsenic anomalism showing Red Dog and Big Red As elevation zones.

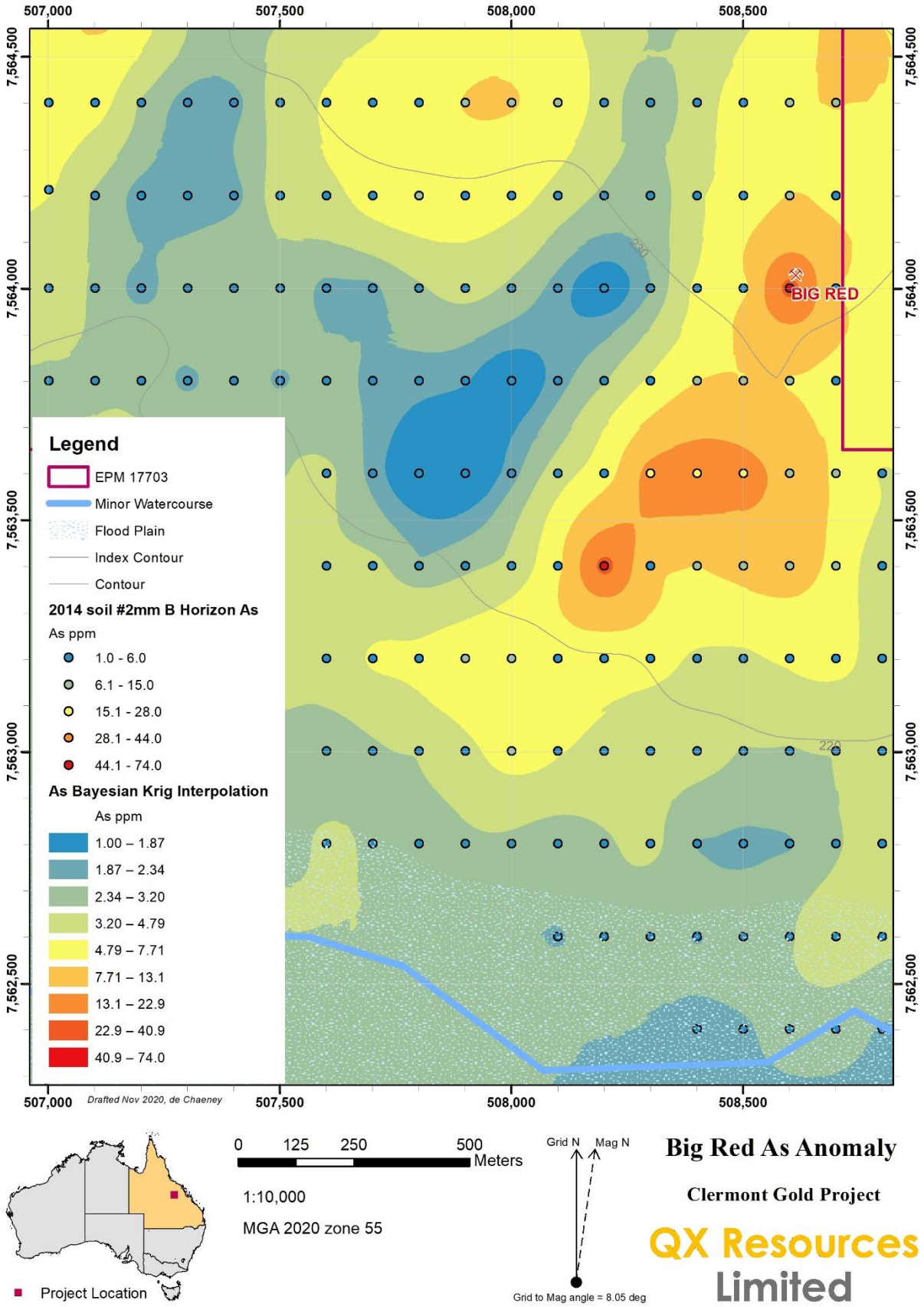


Figure 4: Interpreted antimony anomalism overlain on arsenic contours.

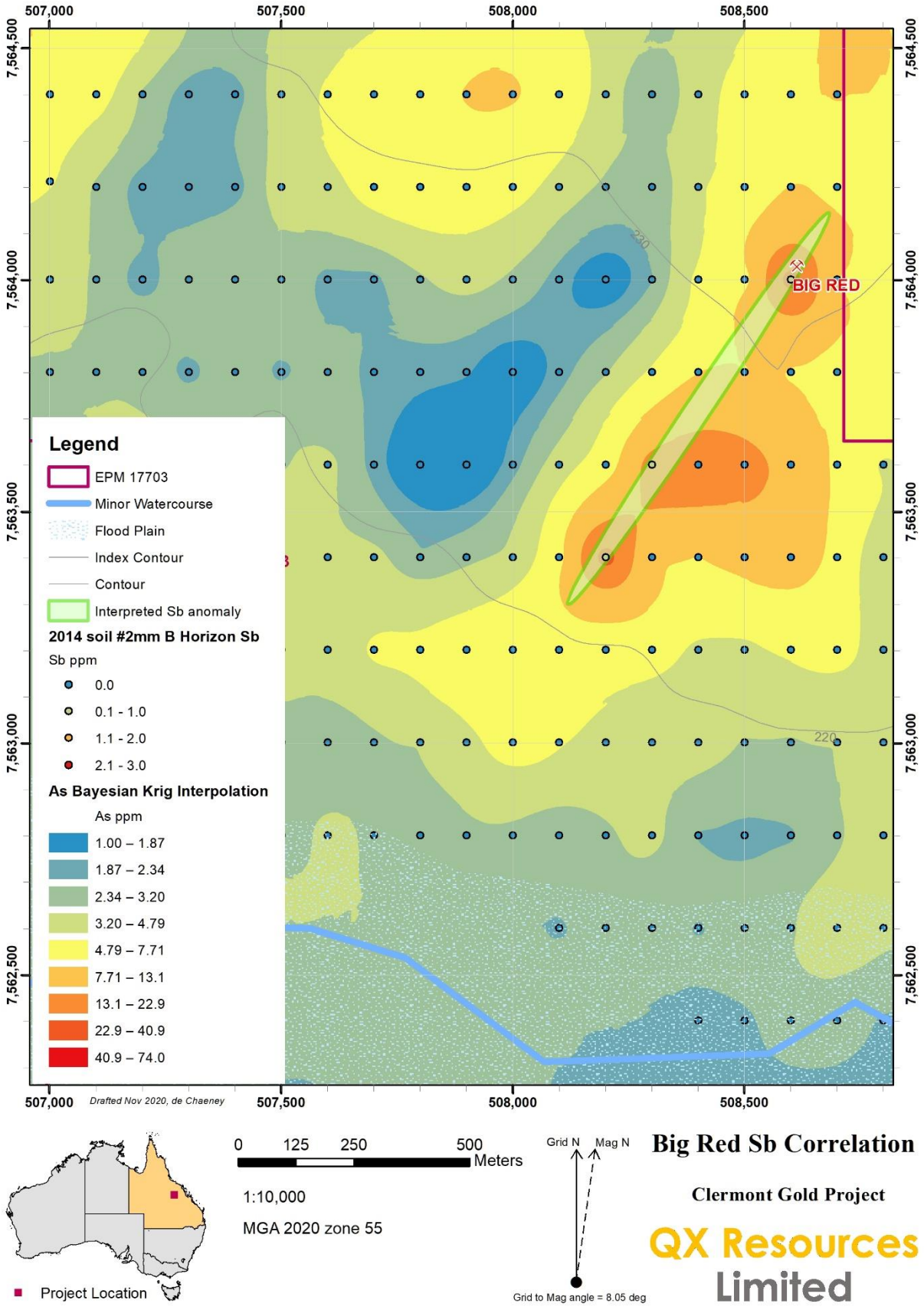


Figure 5: Interpreted silver anomalism overlain on arsenic contours.

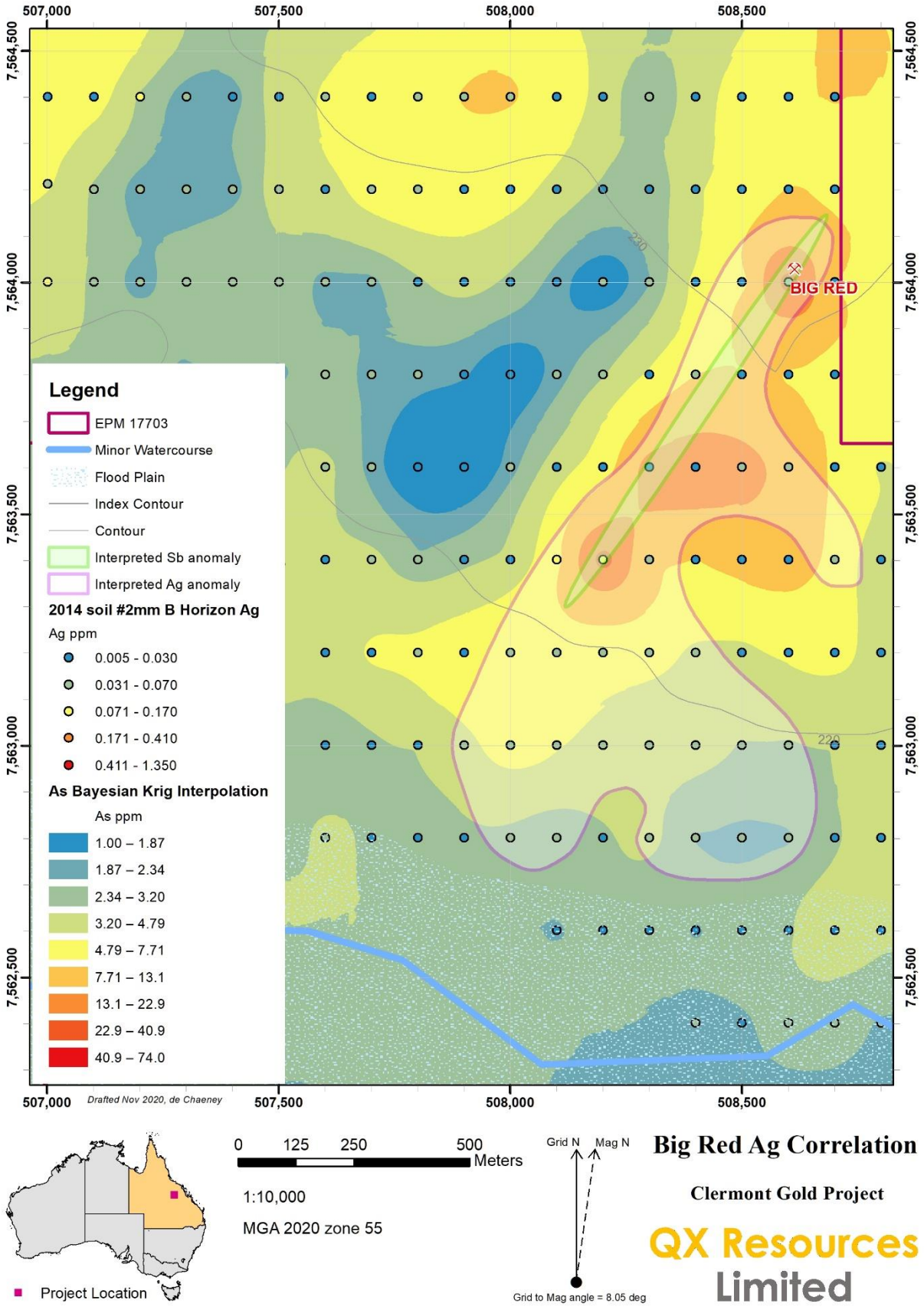


Figure 6: Rock float assays overlain on Red Dog gold and silver anomalies.

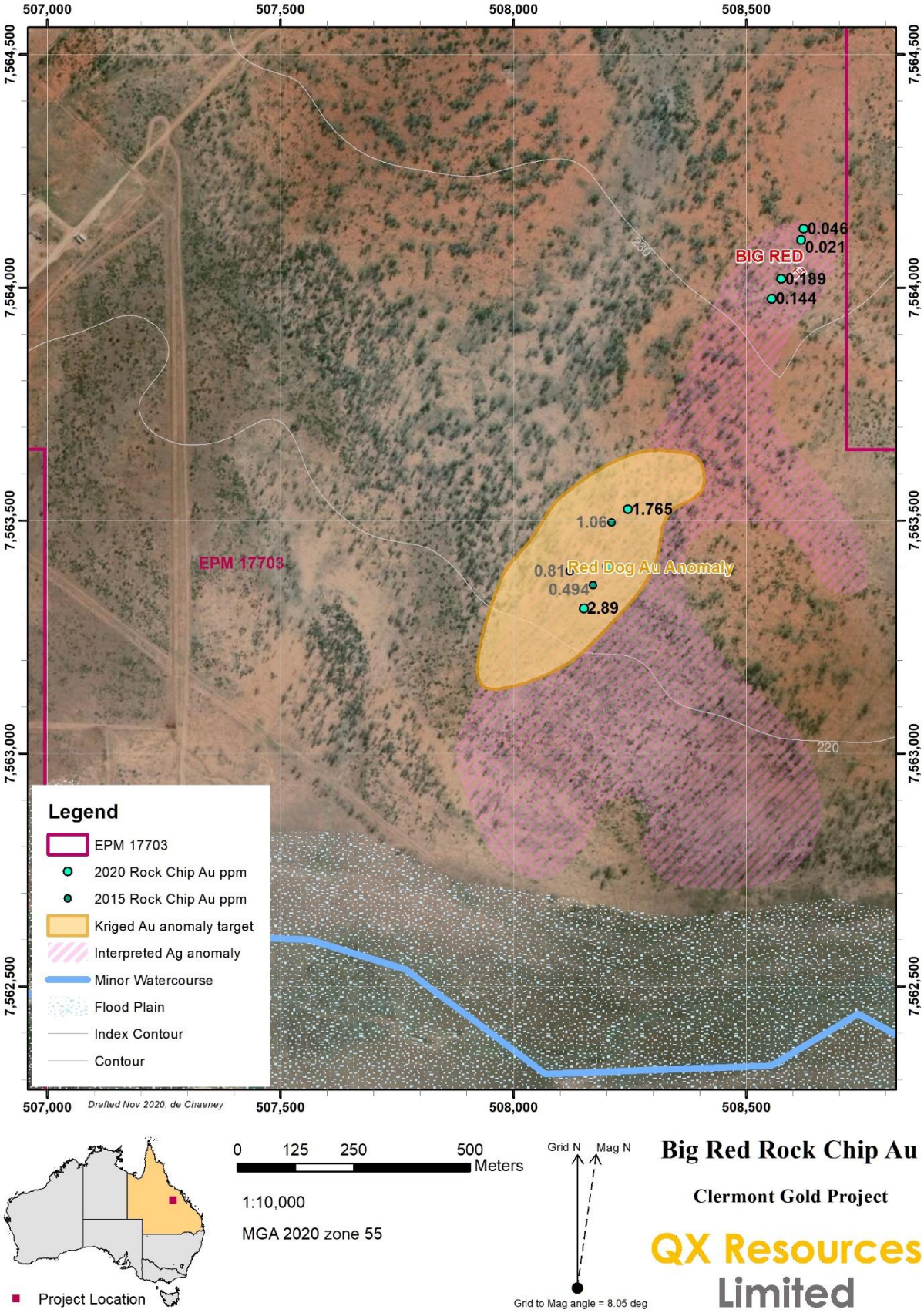


Figure 7: Brecciated sericite silica altered granite float from Red Dog gold anomaly.

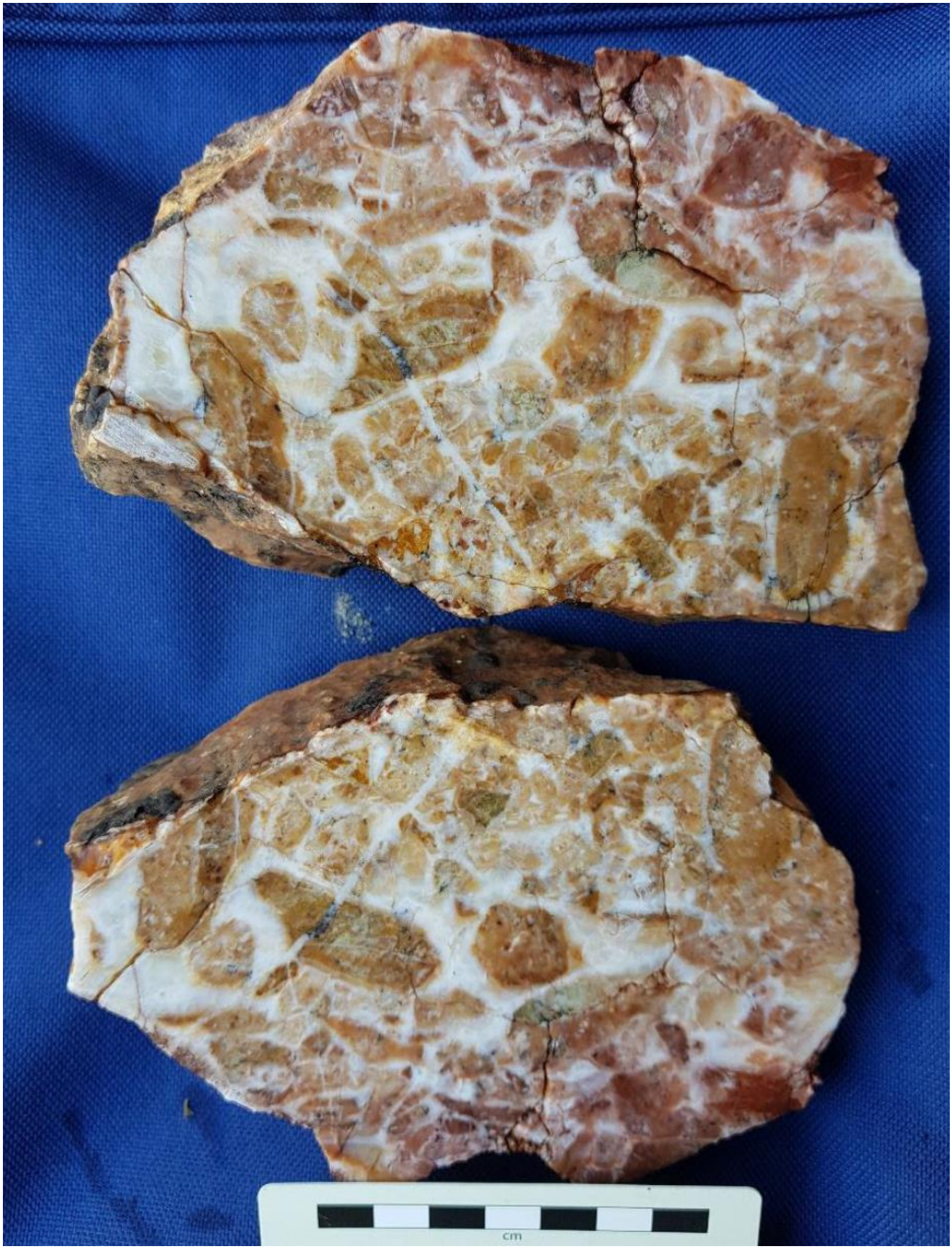


Figure 8: Siliceous breccia with well-developed coliform and crustiform epithermal style quartz- chalcedony infill from Red Dog gold anomaly.

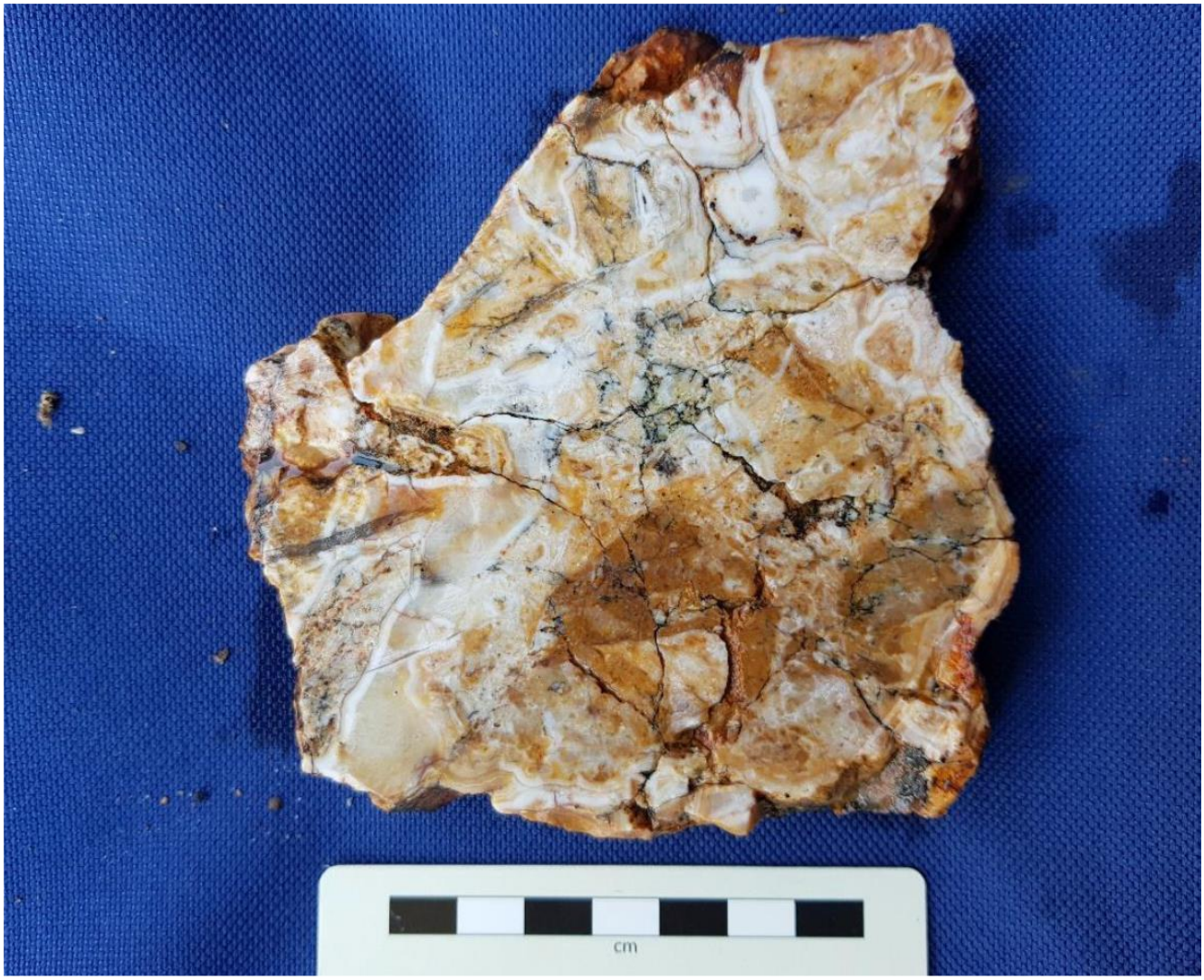


Figure 9: Magnetic destruction lines corelating with gold mineralisation and indicative of underlying structural control.

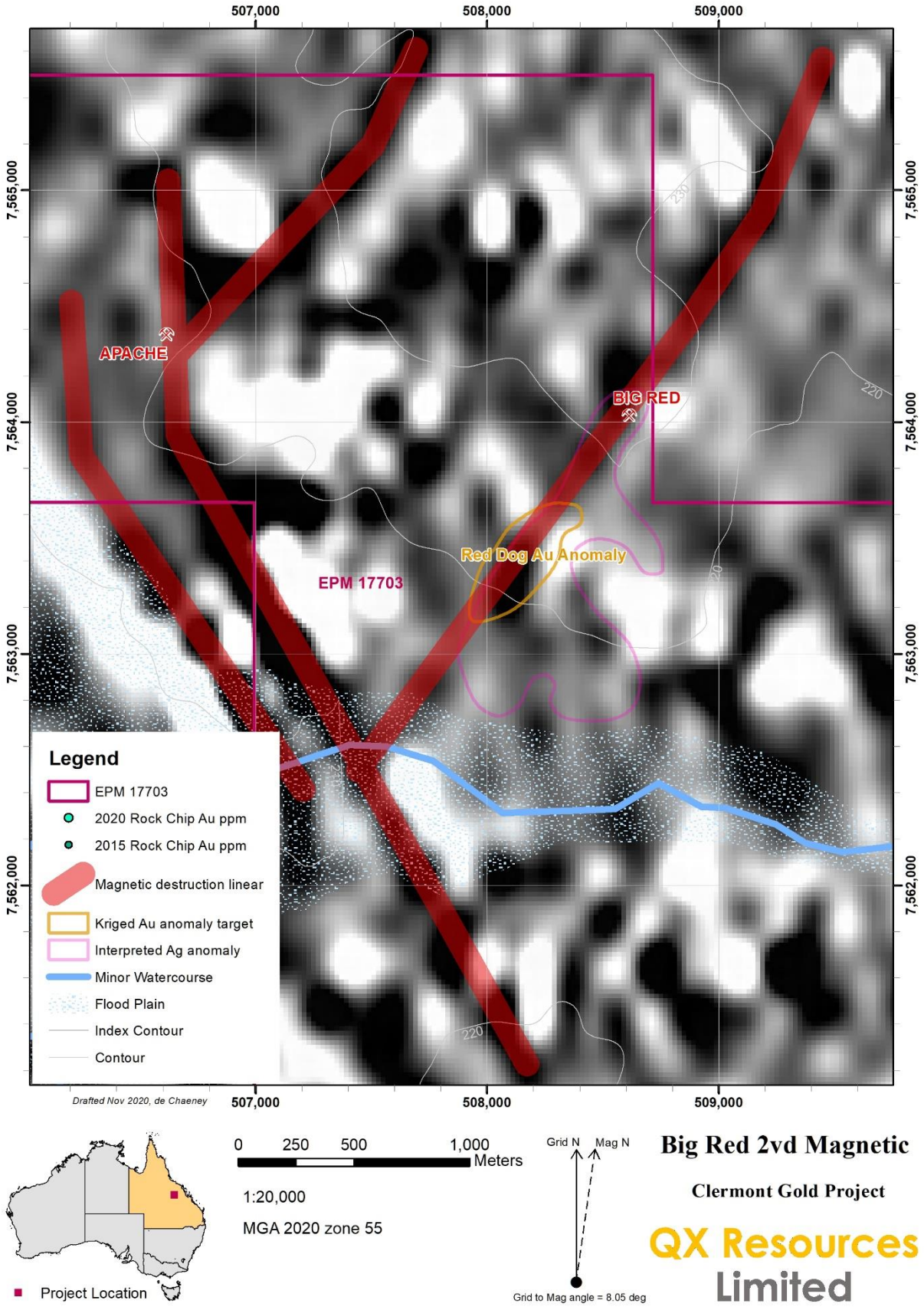
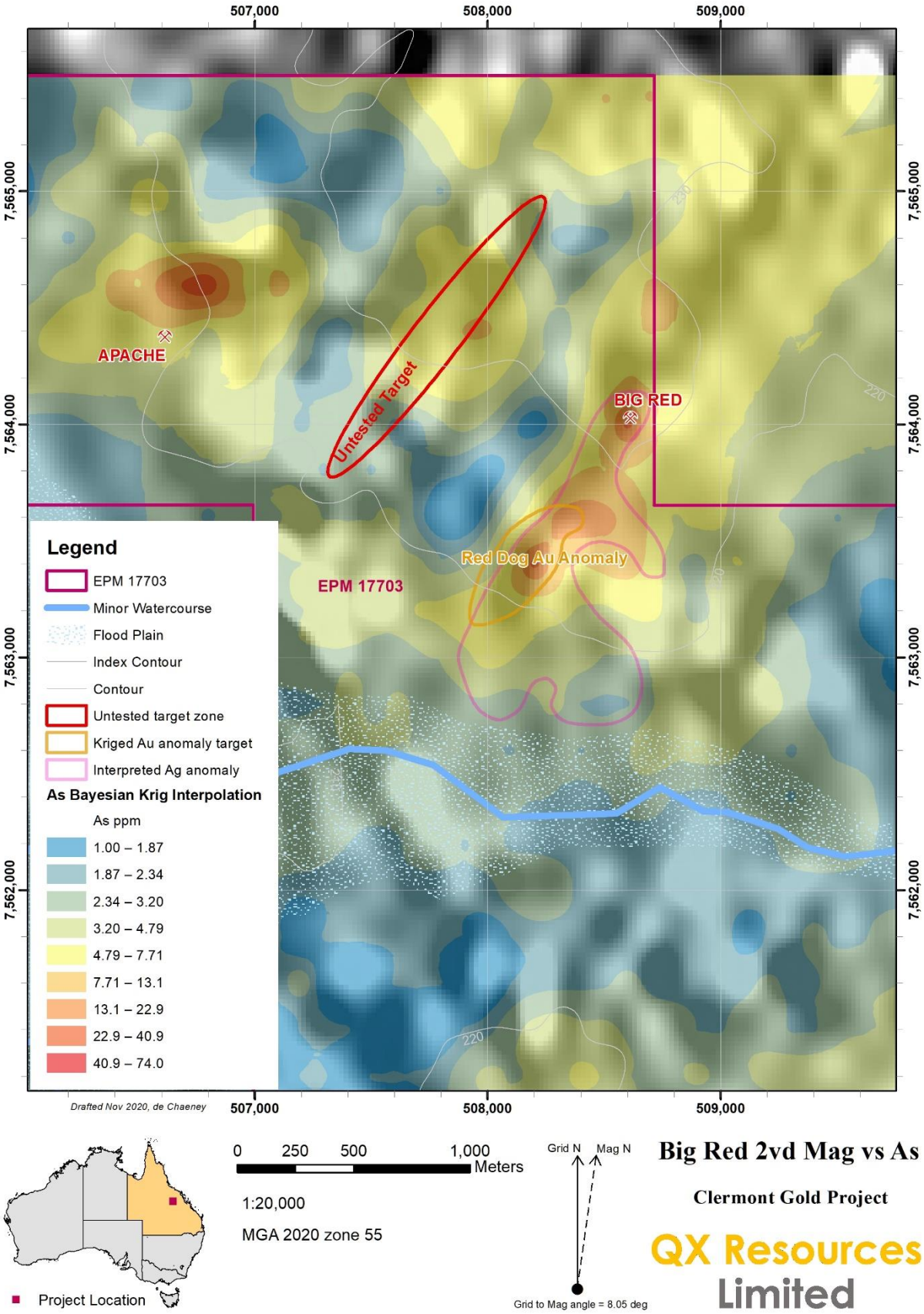


Figure 10: Lines of magnetic destruction overlain by arsenic contours shows a new untested target area between the Red Dog/Big Red line and the Apache line.



QX Resources Limited

This announcement was authorised for release by the Board of QX Resources Limited.

Further information:

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Competent Person's Statement

The information in this report that relates to the Big Red and Red Dog project is based on information compiled by Mr. Roger Jackson, a Director and Shareholder of the Company, who is a 25+ year Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and a Member of Australian Institute of Company Directors. Mr. Jackson 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 2012 Edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves". Mr. Jackson consents to the inclusion of the data contained in relevant resource reports used for this announcement as well as the matters, form and context in which the relevant data appears.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of QX Resources' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. QX Resources has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, QX Resources makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Conventional soil sampling at 50m intervals along 100m spaced north-south lines infilling previous 100m spaced soil sampling (Zamia 2015) • < 1mm sieved soil fraction (~300g) collected from 20cm depth. • Samples pulverized to pass 75um, split and 30g charge analysed for gold by fire assay with ICP finish with 0.001ppm detection limit. (method Au-ICP21)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling results are presented in this report
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling results are presented in this report
Logging	• *Whether core and chip samples have been geologically and geotechnically*	• No drilling results are presented in this report

Criteria	JORC Code explanation	Commentary
	logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples were dried, pulverized and screened to <75 micron at the laboratory. The sample size (~300g <1mm) is considered appropriate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Fire assay gold analysis is considered appropriate for soil geochemistry. Internal laboratory standards and blanks were used to control the quality of assays. Acceptable levels of accuracy and precision were established. • Field duplicates were collected at approximately 20 sample intervals. • Infill samples assayed for gold only. Trace element data derived from previous Zamia 100m spaced sampling.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Soil assay results were received from the laboratory in digital form and data was adjusted by adding a secondary assay entry in which QAQC codes for below detection were replaced with half the detection limit, for statistical purposes.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	All soil samples were located using a hand-held GPS receiver with an accuracy of 4m. The grid system used in the field was MGA94, Zone55S. Grid systems used in the figures and tables presented are stated in the captions.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Soil samples were spaced 50m apart along 100m spaced north-south lines. No Mineral Resources or Ore Reserves are reported in this release. No sample compositing has been applied for the data presented in this announcement.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Available geological information indicates that mineralized structures at the Big Red Project (EPM 17703) are sub-vertical and trend ~ NE. Based on this information, the employed soil sampling will achieve an unbiased sampling of the target structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples hand delivered to laboratory receiving depot.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Industry standard soil sampling and sample handling.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The tenement discussed in this report (EPM 17703 – Disney) is owned by Zamia Resources Pty Ltd. QX owns 50% of Zamia Resources and will move to 70% upon spending $500,000 within six months from 1 October 2020. By spending a further $1m QX will secure 90% of Zamia Resources. EPM 17703 is 1 of 4 ELs which form part of the Earn in. No known issues impeding on the security of the tenure or QX Resources ability to operate in the area exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	

Criteria	JORC Code explanation	Commentary
		The Big Red prospect was discovered by BMA GOLD Ltd in 2004. The history it's discovery and previous exploration is summarised in: Environmental & Licensing Professionals Pty Ltd ('ELP'), 2008: Twin Hills Operations Pty Ltd, EPM 12012, QDEX Company Report No. 52303 REFER TO ZAMIA REPORTS and/or ASX RELEASES
Geology	• *Deposit type, geological setting and style of mineralisation.*	EPM 17703 – Disney: The Big Red prospect is assumed to contain vein-type, low-sulphidation epithermal style gold mineralisation. It is hosted within early Carboniferous granites and volcanics of the Drummond Basin.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drilling results were presented in this report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Thresholds chosen to classify soil data are given within the figures and discussed in the body of the report. No averaging or truncation of high or low assay results was undertaken. No metal equivalent values were reported in this release. Where interpretation of results are stated as interpolated, this refers to simple hand contouring as related in text. Where interpretation is referred to as kriged, this relates to empirical Bayesian kriging on a 5.6m cell (for Au) or a 16.5m cell (for As), with a maximum search distance of 100m (for Au) or 400m (for As) at 40° with restriction to a min 10 max 15 neighbours in an 8 sector search neighbourhood. Data was transformed using a log-empirical fit to inform an automated exponential semivariogram, to derive contours classified geometrically with the exception of the anomalism cut-off grade break, which was enforced.

Criteria	JORC Code explanation	Commentary
		This was carried out using ArcMap Pro Desktop 10.8. The anomalism COG was calculated using the two median absolute deviations method which is statistically suitable for skewed populations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling results were presented in this report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	No drilling results were presented in this report. Maps showing classified / contoured soil sample results are given in **Figure *2*** and **Figure *3*** Rock chip sample locations and assay results are shown in **Figure *6***
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	No drilling results were presented in this report. All available soil rock chip assay results have been shown in figures within the report body.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See announcement text. Background information both on the nearby Twin Hills and Lone Sister gold deposits and the regional and local geology exist. This information is available to the public in the form of company exploration progress reports though the QDEX report system. All geophysics used was public domain data reinterpreted for resolution by consultant as per text.