QX Resources Limited

14 December 2020

Distinct Gold Anomaly at Ibis Defined by Soil Chemistry and Geophysics

QX Resources Limited (ASX: QXR, "QX" or "the Company") is pleased to announce that a 600m diameter gold in soil anomaly has been identified by a 2nd phase soil orientation survey at the Ibis prospect on its Mazeppa Extended tenement (EPM 15145) in the Clermont Goldfield of central Queensland (refer to Figure 1).

- **Infill soil sampling at the Ibis prospect is completed, with a final 140 sample points adding to the 1160 sample local soil geochemistry database to reveal a distinct 600 metre diameter gold anomaly through soil cover. The Ibis anomaly is located on southern EPM 15145 in the valley between the Anthony molybdenum stockwork deposit and the Belyando epithermal gold deposit.**
- **The threshold of the Ibis soil gold anomalism is 0.005 ppm Au, as determined by the statistically robust two median absolute deviations method, and the highest assayed soil grade within the anomaly is 0.045 ppm Au.**
- **Gold anomalism is supported by clear coincident arsenic anomalism based on kriged arsenic with a threshold grade of 11.4 ppm As, as determined by the two median absolute deviations method.**
- **A Potassium 40 (K-40) radiometric anomaly, indicative of hydrothermal fluid activity and resultant wall rock alteration, corresponds with the geochemical gold anomaly: striking north towards the Belyando gold deposit.**
- **Second vertical derivative (2vd) of aeromagnetic survey over the area shows northerly trending structure believed to mark the margin of the Dead Horse Bore intrusive complex mineralising fluid source.**
- **High resolution 2vd of reduced to poles ground magnetic survey over the area, conducted by Terra Search for Zamia Resources in 2010, shows the Ibis anomaly is associated with structure striking approx. parallel to Belyando's structural control.**
- **Sampling programme builds on previous soil sample grids undertaken by Zamia Resources in 2007 and 2015 to yield a 1294 sample local database.**
- **Costean and drilling programme to be planned to test the anomaly and its structural trend.**
- **QX Resources currently owns a 50% interest in Zamia Resources (with the right to go to 90%), which holds four gold projects strategically located within the Drummond Basin, Central Queensland; a region that has a >6.5moz gold endowment and a long history of ongoing mining.**
- **Belyando and Lucky Break Mines, both on the tenement, produced approx. 93,000 oz Au (86,000 oz Au from Belyando and 7,000 oz Au from Lucky Break) from shallow open cut operations in the late 1980s to early 1990s.**

Non-Executive Director Roger Jackson said, *"Coming hard on the heels of our Red Dog discovery, this result is a great step in QX Resources progression of this under explored project area; giving confidence that we can build a gold in ground inventory that will potentially enable QX to move into production. The structural correlations with the productive Belyando gold system are encouraging and the multi-data type correlations give the QX team something solid to build on with further exploration on the Ibis anomaly."*

The southern Mazeppa Extended tenement (EPM 15145) is dominated by poorly consolidate sediments of the Tertiary Campaspe Formation, which blankets outcrops of slates, phyllites and schists of the Anakie Metamorphic Group (see **Figure 2**). The tenement is underlain by the Dead Horse Bore intrusive complex, which is believed to have provided critical thermal pumping and ore genetic fluid inputs. One to several metres of late Tertiary to Quaternary locally transported colluvial silt, sand and gravel are present over low-lying areas.

Gold mineralisation in the Clermont Goldfield is largely related to intrusives into the Anakie Metamorphics, and onlapping Drummond basin. The tenement is prospective for:

- Mesothermal vein gold e.g. Lucky Break and Belyando, 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 Ibis soil survey targeted areas of infill within the Zamia Resources (**Zamia**) soils results from sampling undertaken in 2007 and 2015. Zamia sampled 1mm screened B horizon soils to a 50m by 100m grid around the Anthony molybdenum, and a 200m by 200m grid across the flat between Anthony and the Belyando gold deposit. This was infilled at the Ibis gold prospect by QX to 50m by 50m (see **Figure 3**). Samples were assayed by ALS using 30g fire assay with an ICP AES finish having a 0.001 ppm detection limit.

The gold anomalism threshold grade was determined by the statistically robust two absolute median deviations method which yielded a cut-off grade of 0.005 ppm Au. A log empirical transform was applied to assay data to generate a K-bessel variogram for empirical Bayesian Kriging on a 13.6m cell, a maximum search distance of 200m oriented $0°N_{grid}$ and a 10 sample minimum 15 maximum 8 sector 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 Ibis infill area and becomes less reliable to the north and northwest at the margins of the sample grid (see **Figure 4**).

The kriged result was validated with the statistically simple but less conservative inverse distance squared technique, using a search ellipse with a major axis of 200m and minor axis of 100m, oriented $0°N_{grid}$ and a 10 sample minimum 15 maximum search neighbourhood. Within the high sample density Ibis area, the ID^2 result supports both the extent and geometry of the kriged Ibis gold anomaly within the expected limits of the technique (see **Figure 5**). The 'spotted dog' effect in the low sample density area to the north and northwest is a known artifact of ID^2 interpolation in zones of low sample support with respect to search parameters.

Arsenic was similarly kriged using an exponential transform applied to assay data to generate a K-bessel variogram for empirical Bayesian Kriging on a 13.6m cell, a maximum search distance of 250m oriented 0°N_{grid} and a 10 sample minimum 15 maximum 4 sector search neighbourhood, using ArcMap 10.8 geostatistical tools. The arsenic anomalism threshold of 11.4 ppm As was similarly determined by the two absolute median deviations method.

The resulting arsenic contour map strongly supports the Ibis gold anomaly and shows distinct separation from the Anthony molybdenum deposit alteration halo (see **Figure 6**). Other typical pathfinder elements such as Ag, Sb and Zn could not be statistically processed in a valid manor in the Ibis area, due to widely variant detection limits between Zamia's 2007 sample programme centred on Anthony, and 2015 extension programme.

Analysis of the 2007 potassium 40 gamma ray spectrometry data reinterpreted for Zamia in 2011 by consultants Explore Pty Ltd clearly shows strong anomalies at Anthony and Belyando, as well as a distinct but weaker north trending anomaly at Ibis (see **Figure 7**). The relative strength of the Ibis anomaly is believed due to attenuation by soil cover as compared to the exposed mineralisation at Anthony and Belyando. The potassium response is typical of the alteration halo generated by the reaction of hydrothermal mineralizing fluids with county rock and is a good indication of in situ mineralisation as opposed to minor placer gold within the overburden. Gamma ray penetration of soils and rock is poor compared to penetration through air, and imply a relatively shallow depth to the anomaly source.

Analysis of 2nd vertical derivative total aeromagnetic intensity data reinterpreted for Zamia in 2011 by consultants Explore Pty Ltd, shows approx. north trending parallel linear zones of magnetic low and high intensity (See **Figure 8**). These are thought to mark the boundary of the underlying Dead Horse Bore intrusive complex which is thought to have functioned as the mineralising fluid source in the Belyando gold deposit. This margin is similarly placed with respect to the Ibis gold anomaly and is believed to fill the same function.

The high resolution 2nd vertical derivative total magnetic intensity reduced to pole ground magnetic survey data, conducted by Terra Search for Zamia in 2010, shows the magnetic destruction halo surrounding the Anthony molybdenum deposit as spatially separate from Ibis and the Dead Horse Bore intrusive margin; confirming the separation shown by the arsenic and potassium radiometric data. It also shows linear magnetic highs passing through the Ibis gold anomaly on an orientation parallel to the Belyando gold deposit structure (see **Figure 9**). These may correlate with structural mineralising fluid conduits.

QX believes that together these data show that Ibis has a distinct gold anomaly deriving from an underlying source mineralisation which is genetically and structurally related to the Belyando gold deposit, and that Ibis is a good prospect for further exploration.

Though exploration is in early stages, the data so far are suggestive of either a breccia pipe or stockworks low sulphidation epithermal gold system.

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

Figure 1: Project location.

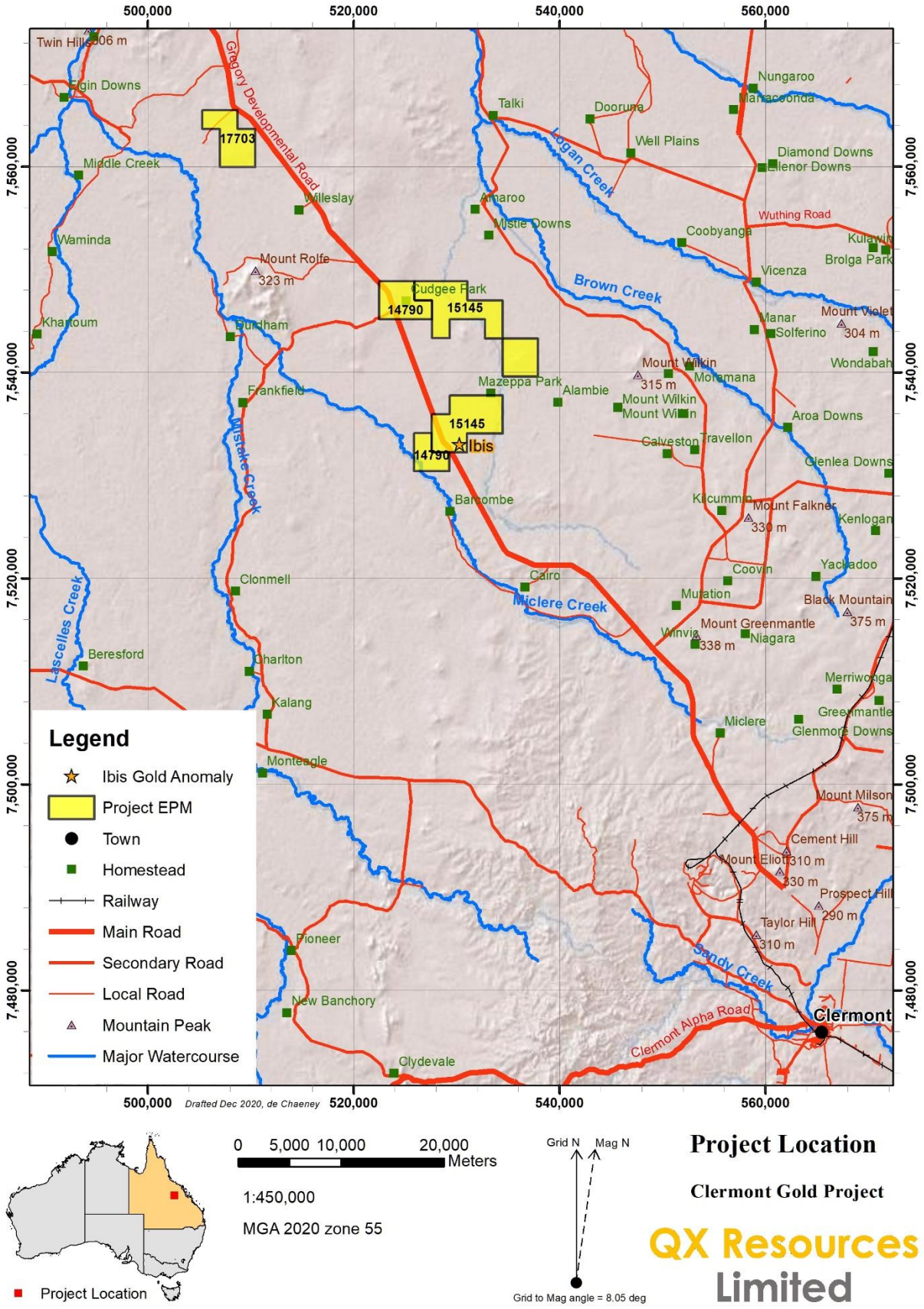


Figure 2: QX 2020 infill gold in soil sampling overlain on solid geology.

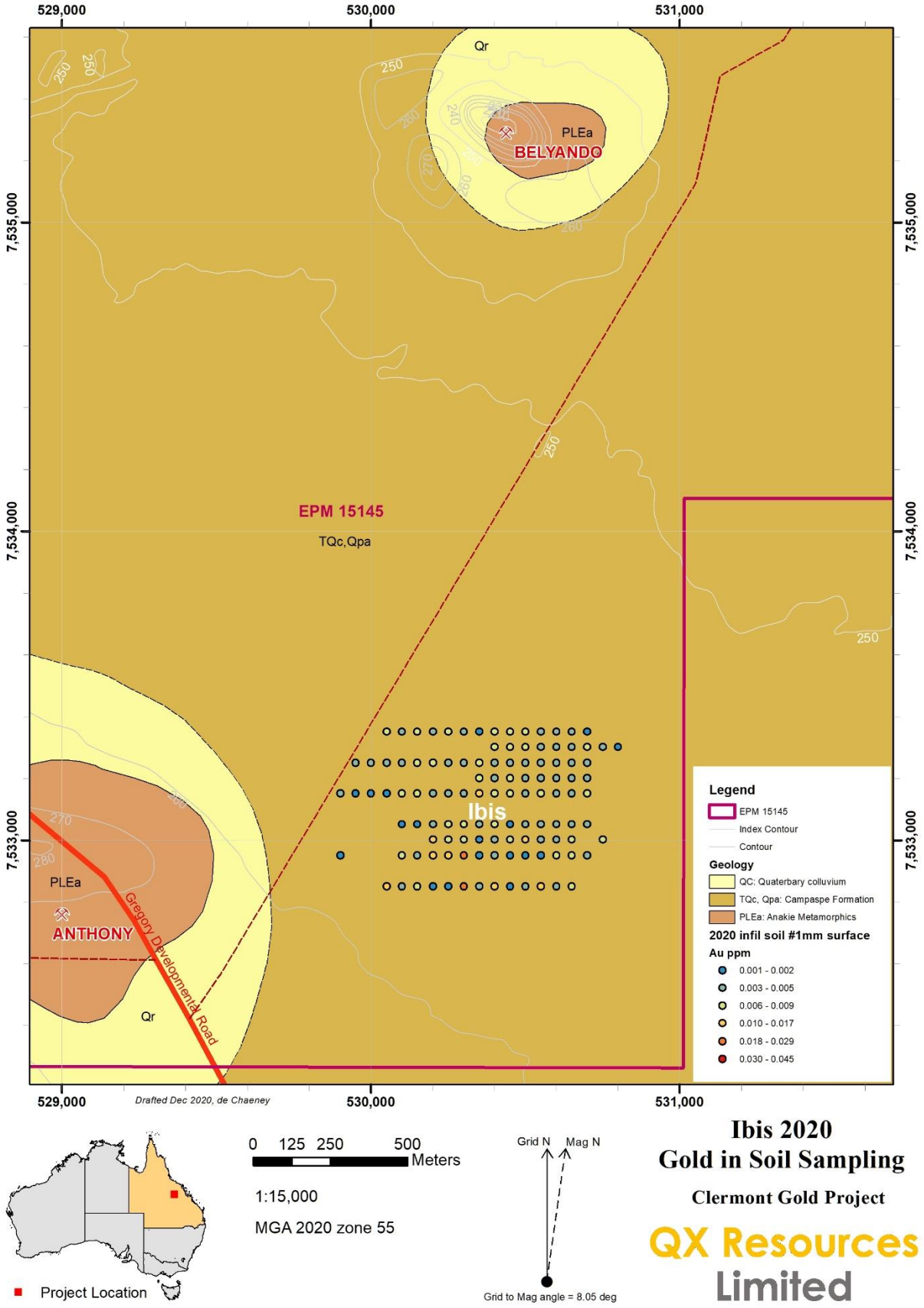


Figure 3: Zamia 2007, 2015, and QX 2020 soil sampling overlain on 30cm resolution satellite imagery.

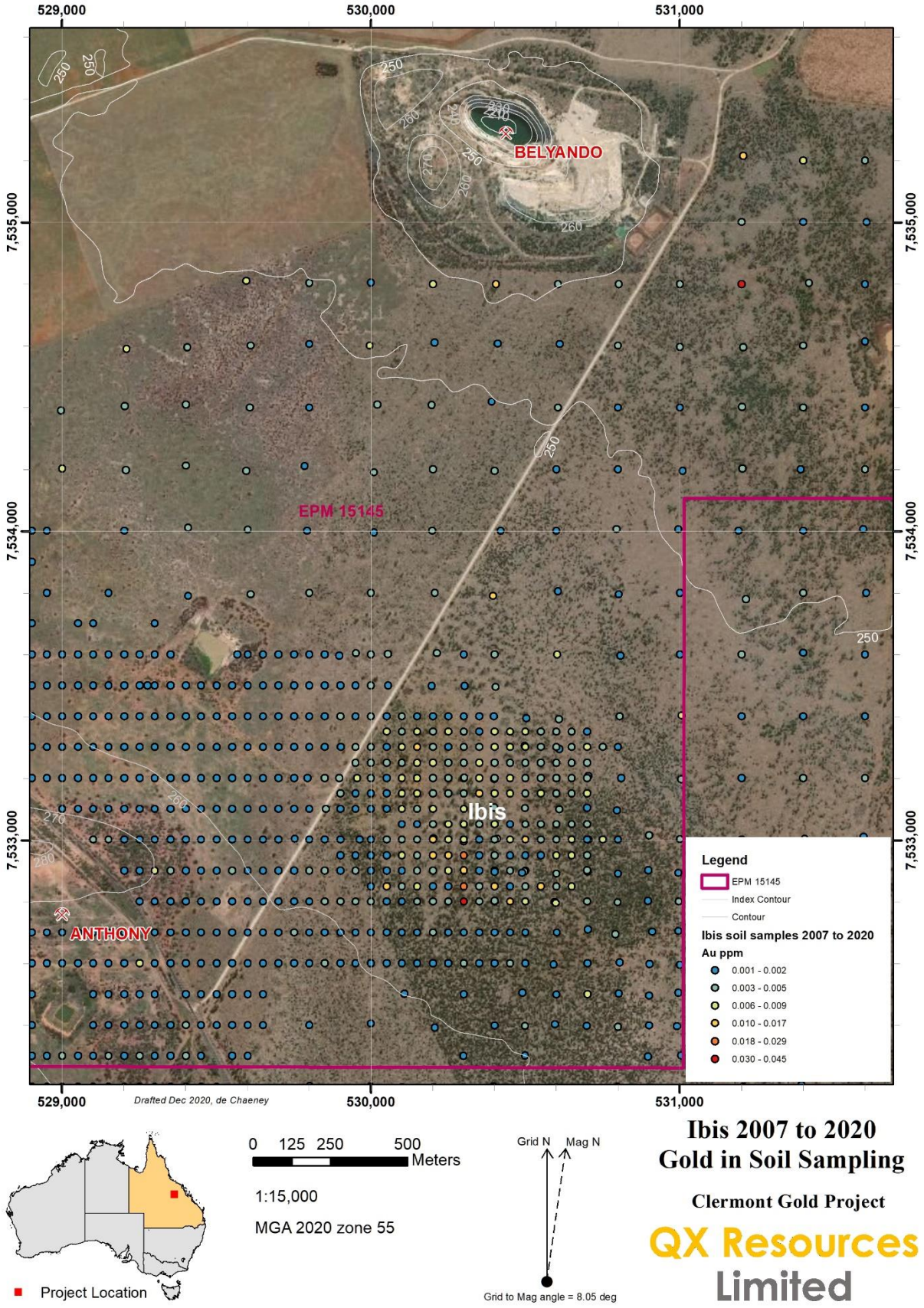


Figure 4: Kriged gold anomalism and gold sample assay grid showing the Ibis anomaly in relation to Anthony molybdenum and Belyando gold deposits.

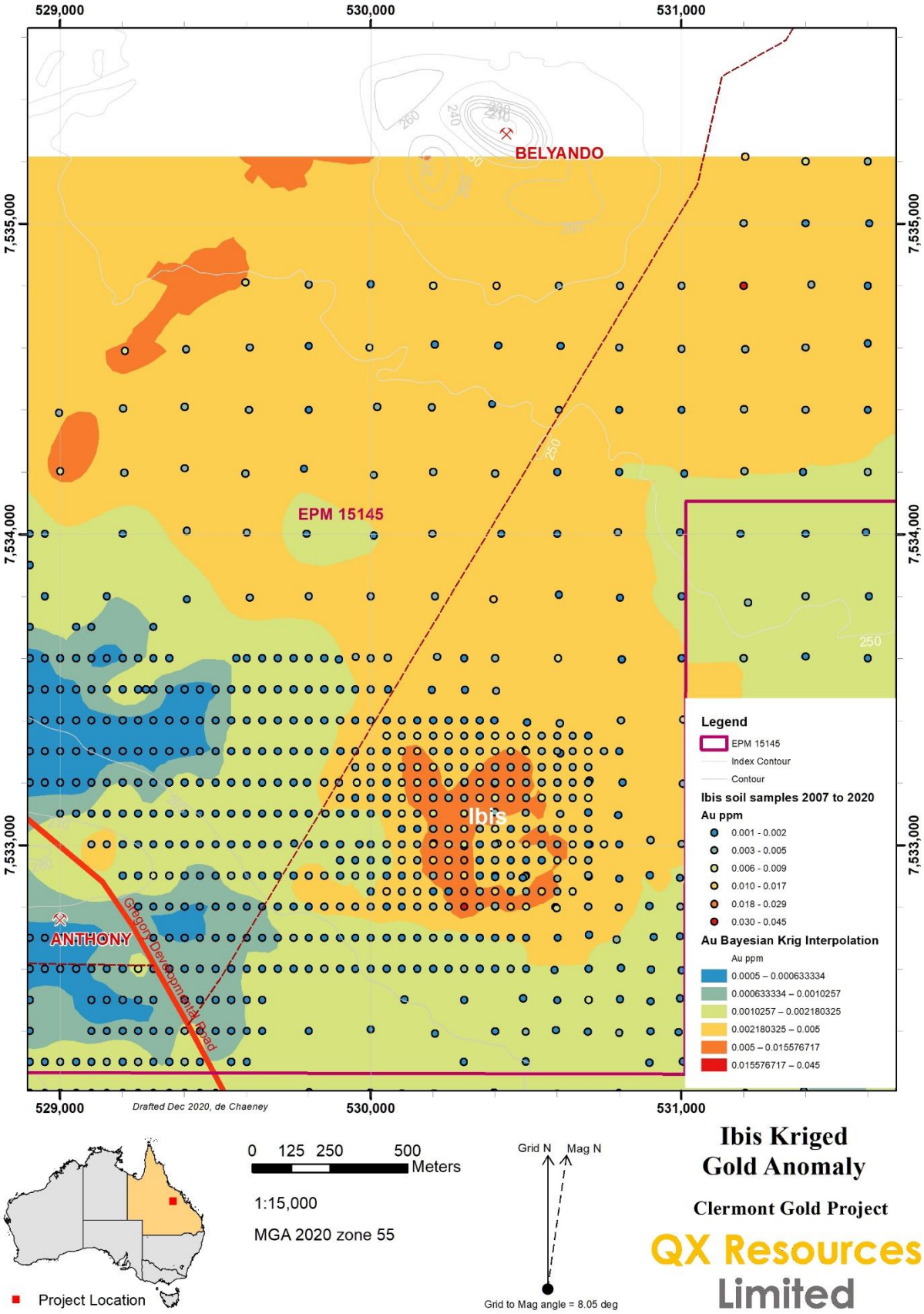


Figure 5: Inverse Distance Squared gold anomalism and gold sample assay grid validating the kriged Ibis gold anomaly.

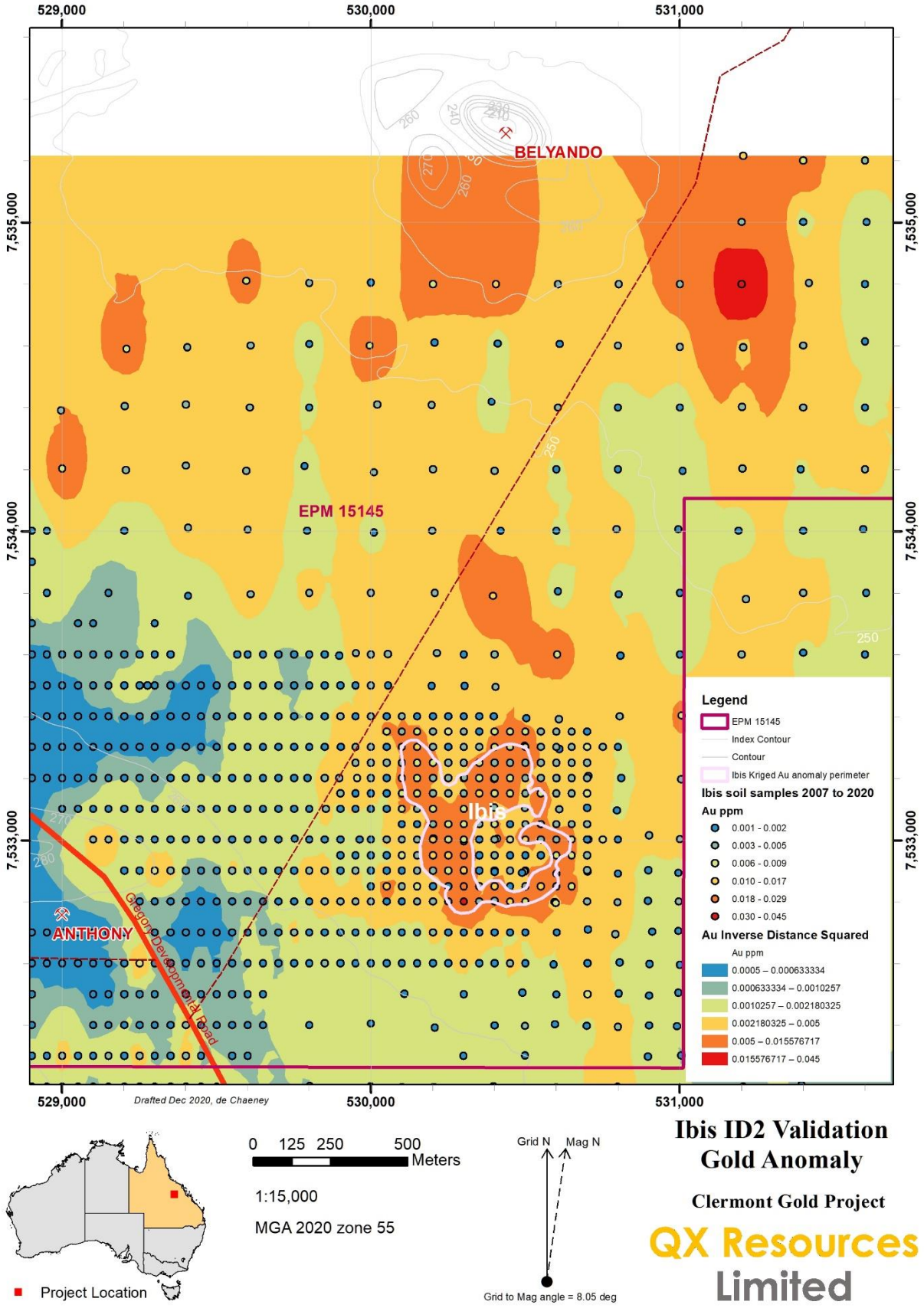


Figure 6: Kriged arsenic anomalism and arsenic sample assay grid supporting the kriged Ibis gold anomaly.

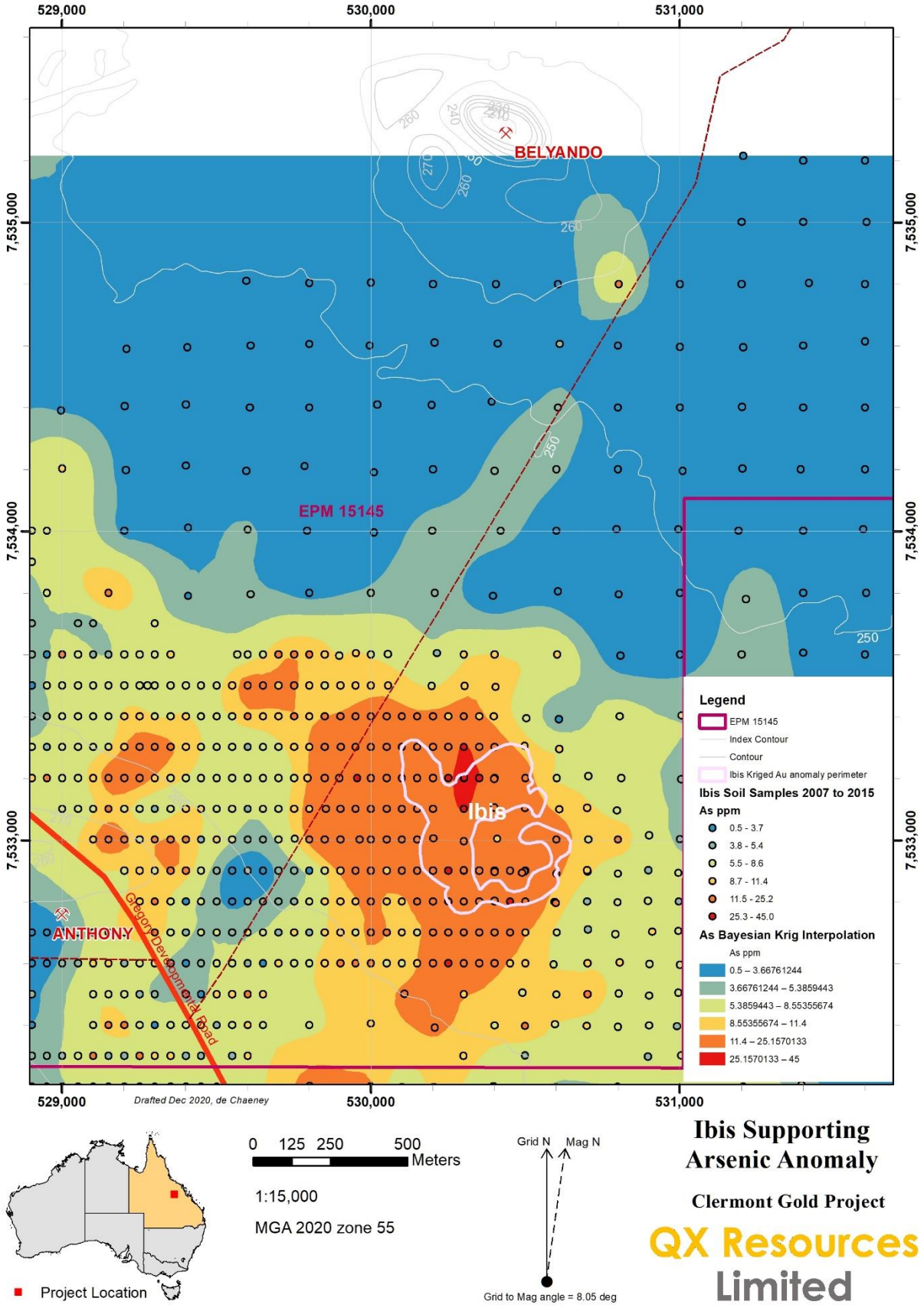


Figure 7: Potassium 40 gamma spectroscopy supporting the Ibis gold anomaly and showing the separate anomalies at Anthony and Belvando.

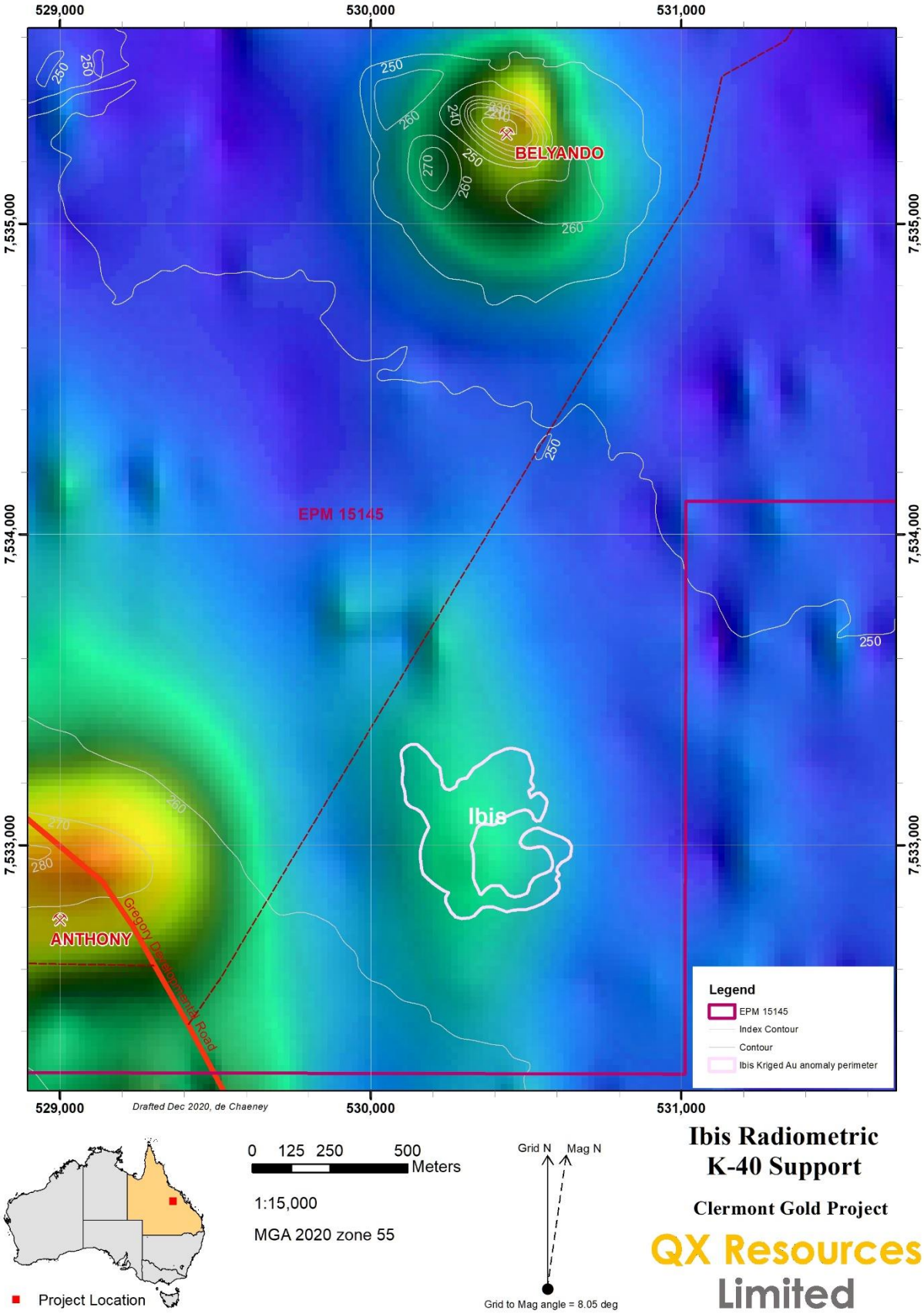


Figure 8: 2011 2nd vertical derivative total aeromagnetic intensity showing the margin of the underlying blind Dead Horse Bore intrusive.

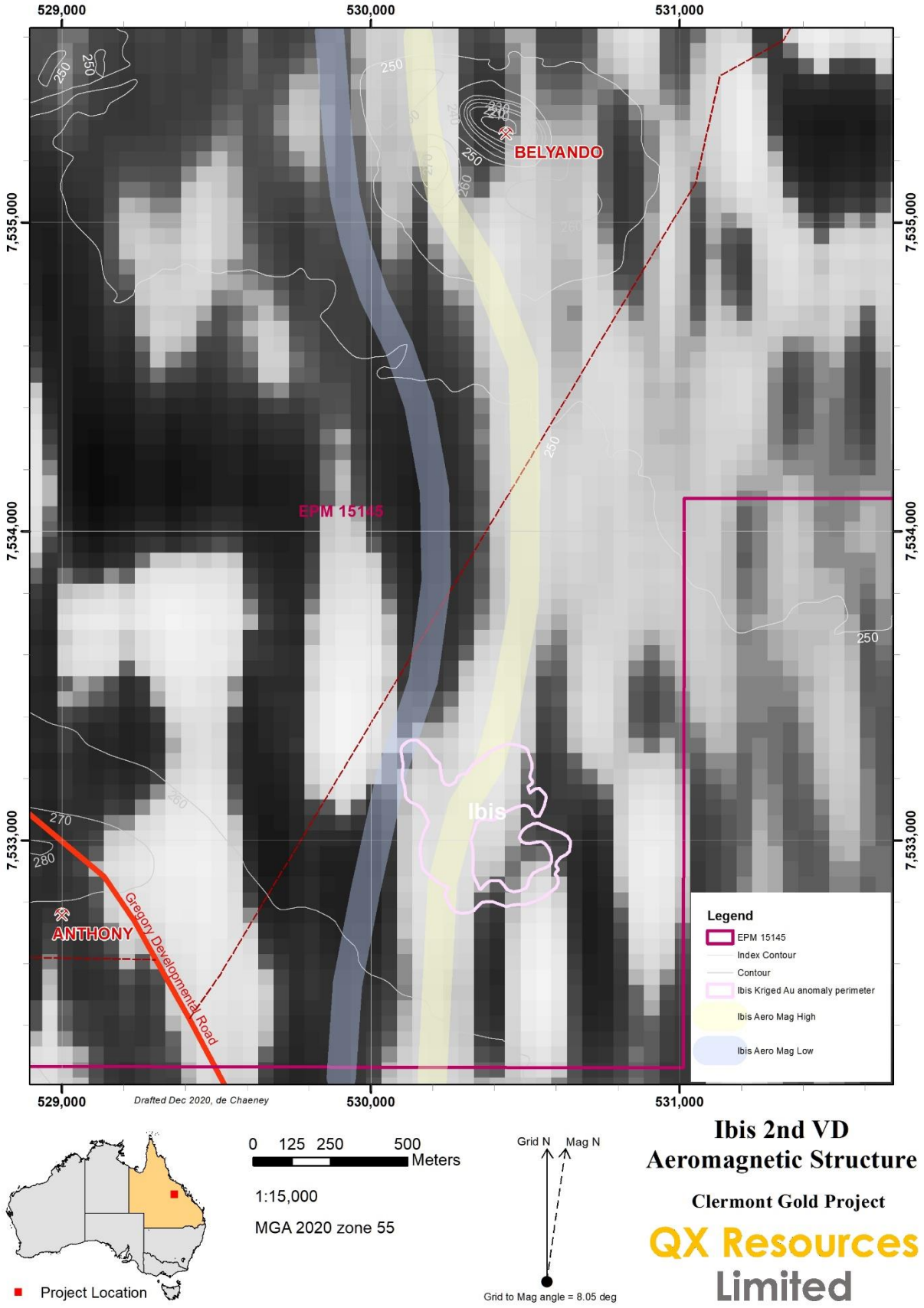
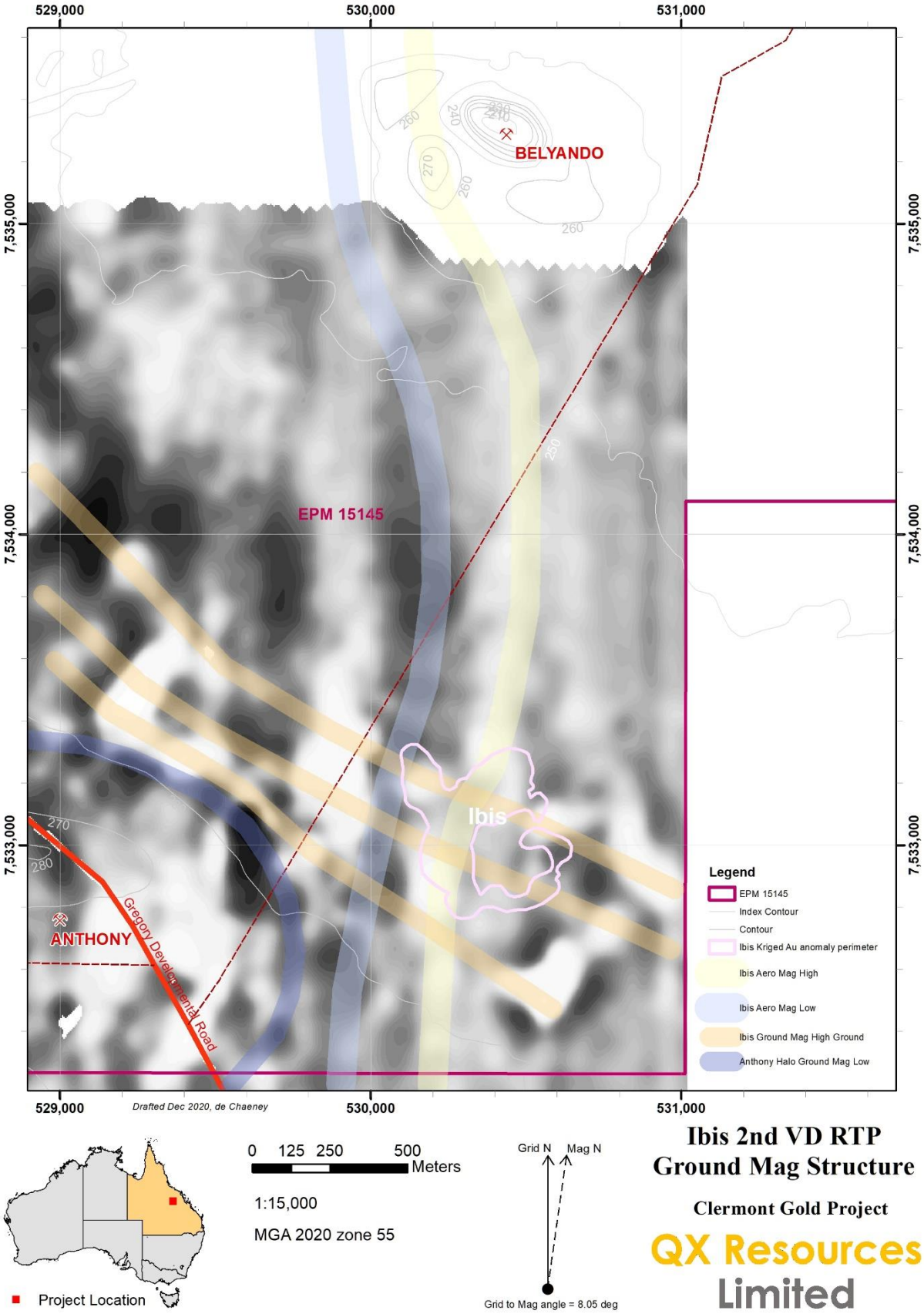


Figure 9: 2011 2nd vertical derivative total ground magnetic intensity reduced to poles showing the Anthony alteration margin and linear structures passing through Ibis parallel to Belyando.



QX Resources Limited

Competent Person's Statement

The information in this report that relates to the Ibis 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.

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

Further information:

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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 east - west lines infilling previous 100m spaced soil sampling lines(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.
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. All plotted data were converted to the stated grid using ArcMap 10.8 Pro using NTv2.2 conformal and distortion transforms.
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 east west lines with additional 50m infill of selected previously sampled (Zamia) 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.*	The structure and extent of Ibis is not yet defined but even spaced surface soil sampling will achieve an unbiased sampling of the target for the purposes of initial anomaly identification.
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 15145 – Mazeppa Extended) 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 15145 is one of four Els which form part of the Earn In. No known issues impeding on the security of the tenure of QX Resources ability to operate in the area exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The Ibis prospect was identified as a potential target by Zamia Resource Pty Ltd in 2007 with discovery sampling and naming in 2015.

Criteria	JORC Code explanation	Commentary
		REFER TO ZAMIA REPORTS and/or ASX RELEASES
Geology	• *Deposit type, geological setting and style of mineralisation.*	EPM 15145 – Mazeppa Extended: The Ibis 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 interpolated, the method of interpolation used is either Empirical Bayesian Kriging or Inverse Distance Squared as stated in the text and using the parameters stated in the text, carried out with ArcMap Pro Desktop 10.8. The anomalism threshold grades 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*	• No drilling results were presented in this report.

Criteria	JORC Code explanation	Commentary
	'down hole length, true width not known').	
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***, **Figure *3***, **Figure *4***, **Figure *5*** and **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 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 Anthony molybdenum, Belyando and Lucky Break 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.