

QX Resources Limited

ASX: QXR

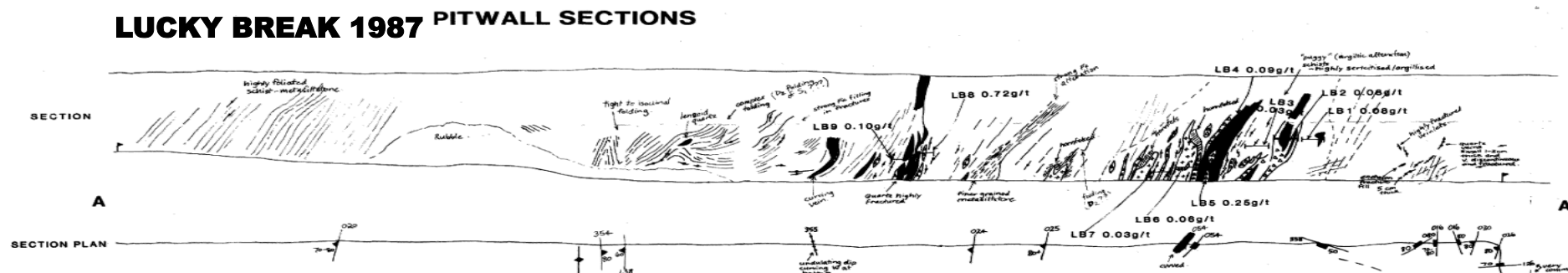
Clermont Gold Project

Lucky Break Gold Mine Project

Red Dog Gold Soils anomaly

Ibis Gold Soils anomaly

Roger Jackson Director



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.

Please note all references to Exploration, resources and mineralisation are based on previous public announcements by QX Resources Ltd and Zamia Resources Ltd

Corporate Snapshot

QX Resources Limited

Overview	
ASX code:	QXR
Issued capital:	~533m
Options on issue :	~42m
Market capitalisation (\$0.015 per share):	~\$8m
52 week high - low :	\$0.007 - \$0.027
Cash as at 30 September 2020:	~\$800k

Maurice Feilich EXECUTIVE CHAIRMAN

Mr Feilich has been involved in investment markets for ~30 years, commencing his career as an Institutional derivative broker at McIntosh Securities (later Merrill Lynch) in 1998. He joined Tricom Equities in 2000 as Head of Equities, and in 2010, became a founding partner of Sanlam Private Wealth. Mr Feilich has a track record of success and solid networks in the small resources sector

Roger Jackson NON-EXECUTIVE DIRECTOR

A qualified geologist with a career spanning more than 25 years, Roger has considerable experience in mineral exploration, mine management, mining services and the marketing of mineral concentrates. Currently he is the Executive Director of London-listed NQ Minerals Plc and he has been instrumental in leading NQ's growth with the acquisition of two major mining and exploration projects in Tasmania – the producing Hellyer mine and more recently the Beaconsfield gold mine. NQ also has a portfolio of highly prospective assets in Queensland. From 2012-2015, Roger was a founding Director of privately owned Central Gold Mines and Bracken Resources, which refurbished and re-started the Georgetown and Hillgrove gold plants.

Dan Smith NON-EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mr Smith holds a Bachelor of Arts, is a member of the Australian Institute of Company Directors and the Governance Institute of Australia, and has a strong background in finance having previously worked in the stock broking industry. He has over 10 years' primary and secondary capital markets expertise, and has advised on a number of IPOs, RTOs and capital raisings on the ASX.

Ben Jarvis NON-EXECUTIVE DIRECTOR

Mr Jarvis has extensive experience in the small resources sector as both a public company director and strategic advisor. Since 2011, he has been a non-executive director of South American focused gold and silver mining company, Austral Gold Limited (ASX:AGD) which is dual-listed on the Australian Securities Exchange (ASX: AGD) and the Toronto Venture Exchange (TSX-V: AGLD). Mr Jarvis is the Managing Director and co-founder of Six Degrees Investor Relations, an Australian advisory firm he formed in 2006 that provides investor relations services to a broad range of companies listed on the Australian Securities Exchange.

Highlights

QX Resources Limited

QX Acquisition

- *QX has purchased 50% of Zamia resources for 40,000,000 QX shares. And will earn a further 20% on spending \$500k on exploration. A further 20% can be secured by spending \$1m on exploration.*
- *Zamia owns four (4) exploration licences in the Central Queensland Goldfields covering 115km² and housing two open pit historical gold mines, the Belyando and Lucky Break Mines, as well as multiple exploration targets.*

Known gold endowment within granted tenement package

- Past combined production of ~95,000 oz Au from **Belyando** and **Lucky Break** shallow open-cut gold mines in late 1980's early 1990's
- Belyando only mined to 60m depth Lucky Break Mined to 15m
- Average gold price during mining ~\$A500, now >\$A2,500

Strong potential to rapidly increase current combined potential geological (non-JORC) resource by multiples and bring to JORC 2012 compliance

- Both mines developed on quartz-lode systems open along strike, down plunge and at depth
- Probable parallel footwall/hanging wall quartz lode system repetitions at Belyando
- Probable shallow, high-grade (>15g/t Au) milled breccia chamber at Lucky Break Mine and parallel systems

Strong potential to delineate virgin Au deposits through assessment of several high-order, nearby Au/As soil anomalies

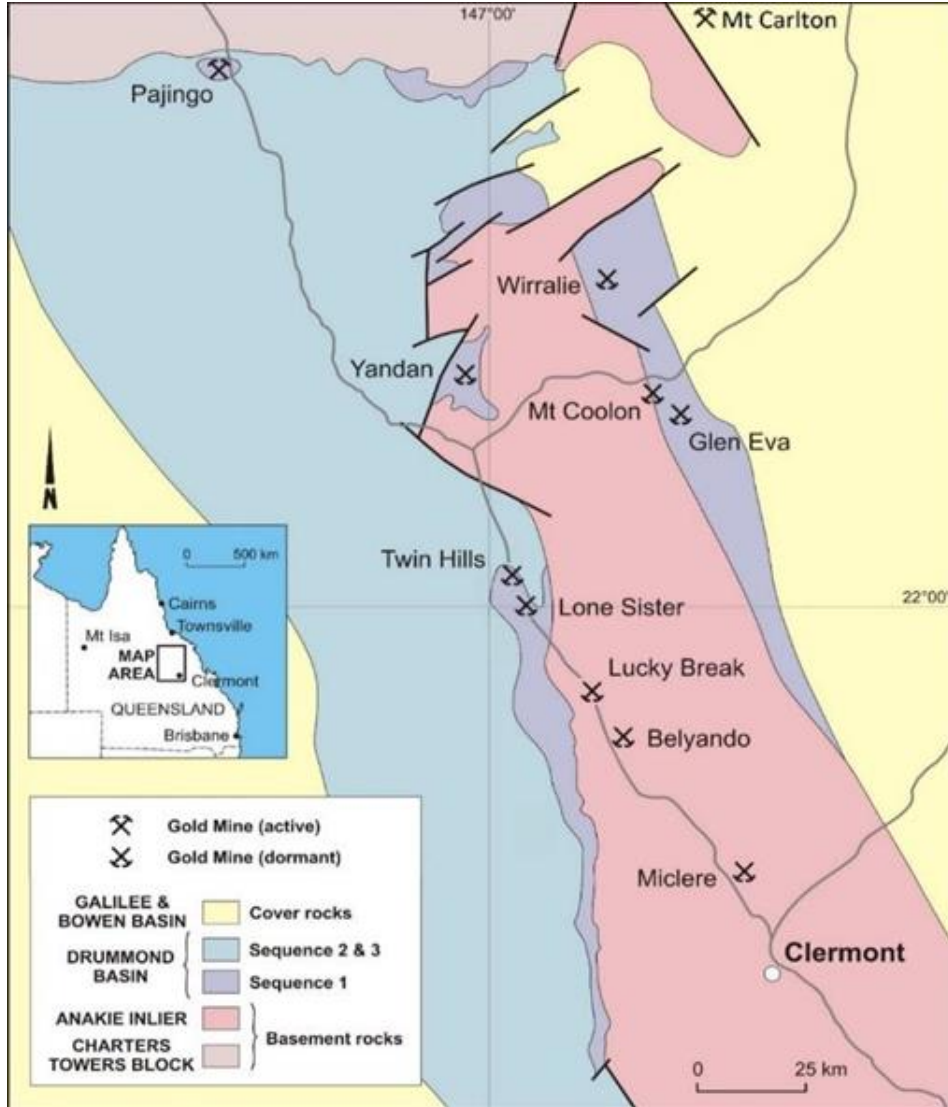
- Belyando discovered by drilling coincident Au/As soil anomaly
- Lucky Break accidentally discovered during road works but is associated with Au/As soil anomaly

2020 Sampling program builds on previous soil sample grids undertaken by Zamia and BMA.

- Red Dog soil sample anomaly discovered following 2020 exploration by QX
- 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 highest assayed soil grade being 0.58 ppm Au. (refer to QXR announcement 14/12/2020)
- Additional sampling of mineralized float/sub-crop within the Red Dog anomaly has assayed 2.89 g/t, 1.02 g/t, 1.765 g/t, 0.144 g/t, 0.189 g/t, 0.021 g/t and 0.046 g/t, (refer to QXR announcement 14/12/2020)
- Costean and drilling program to be planned immediately along the 675m Red Dog mineralised trend.
- 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 (refer to QXR announcement 10/11/2020)

Zamia tenements Located in a Gold Corridor

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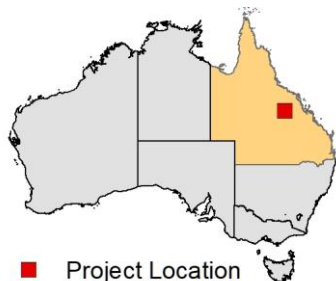
Significant epithermal gold deposits that have been mined in the Clermont to Charters Towers region include:

- Charters Towers district: Production 6.6 Moz Au
- Pajingo : Production + resource 3 Moz Au
- Mount Carlton: > 1 Moz Au
- Wirralie: Production 320,000 oz Au
- Yandan: Production 350,000 oz Au
- Mount Coolon: Production 290,000 oz Au
- Twin Hills: Resource 390,000 oz Au
- Belyando: production 85,846 oz Au

Clermont Near term potential Gold Production

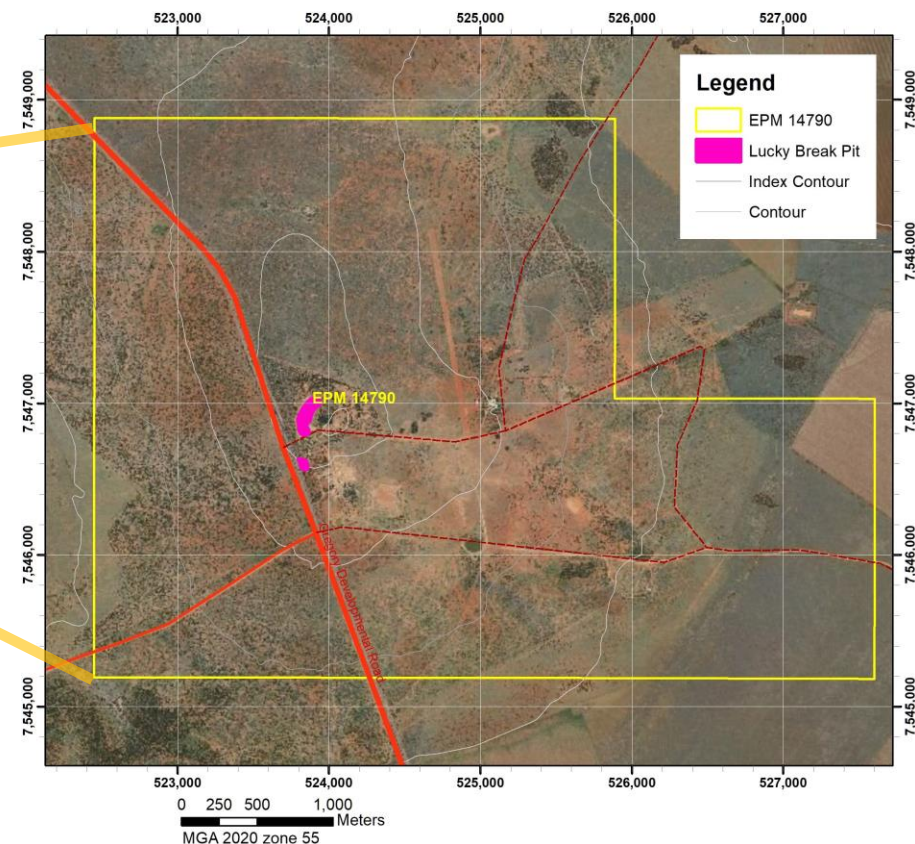
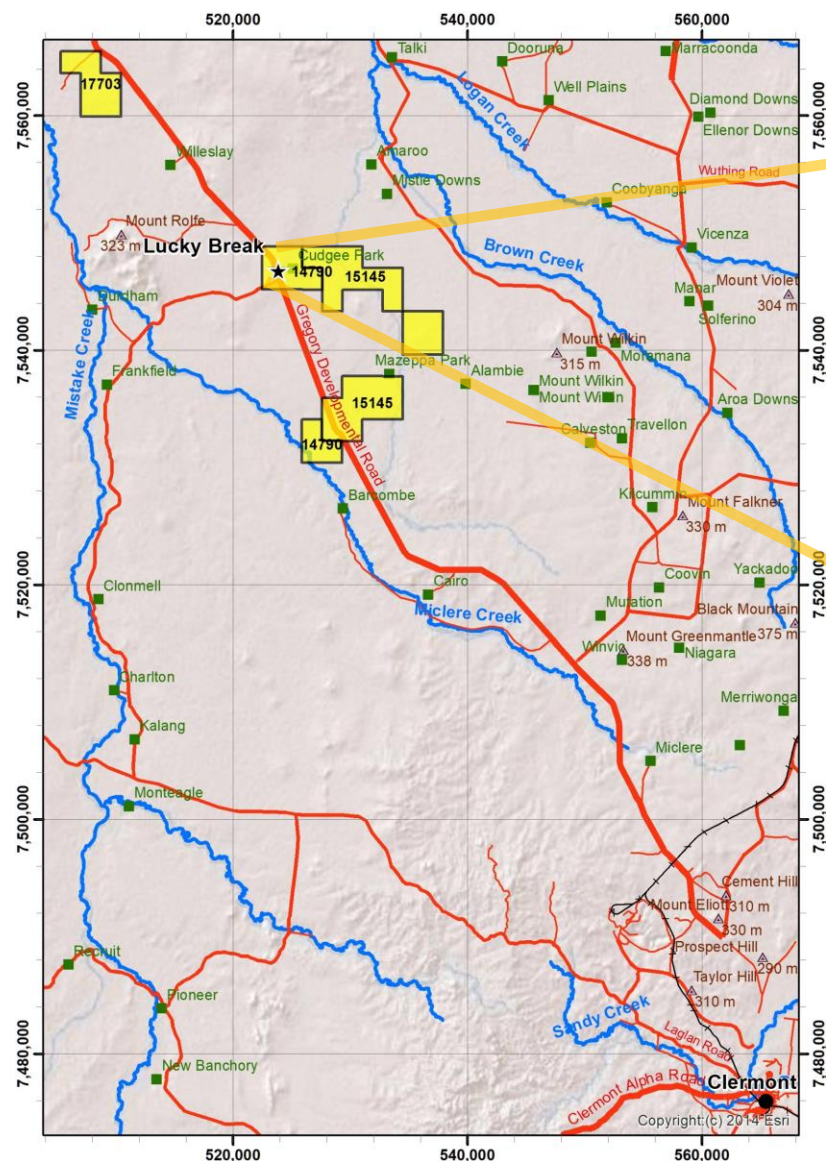
Lucky Break Gold Mine

Lucky Break Gold Mine

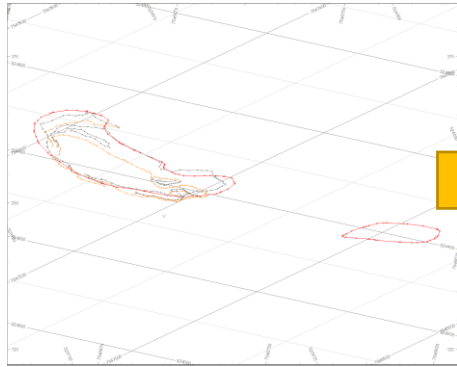


Lucky Break is adjacent to the Gregory Hwy, 85km northwest of Clermont in QLD's Central Goldfield. The workings and potential extensions are wholly within EPM 14790 with Cudjee Park Station freehold as underlying title.

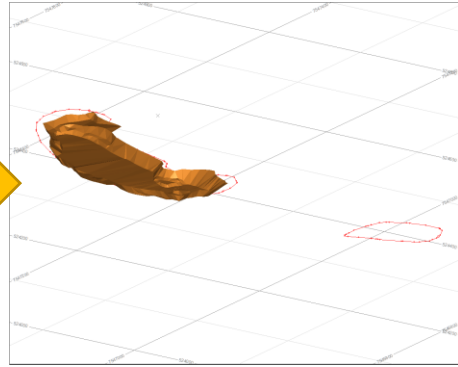
The pit was mined by East West Minerals in 1987 to 1988 within oxide only to approx. 15m depth yielding 90 Kt of ore at a diluted head of 2.4 g/t Au for approx. 6.9 Koz Au at a high fineness of 790 to 900 (mean 850).



Project Location

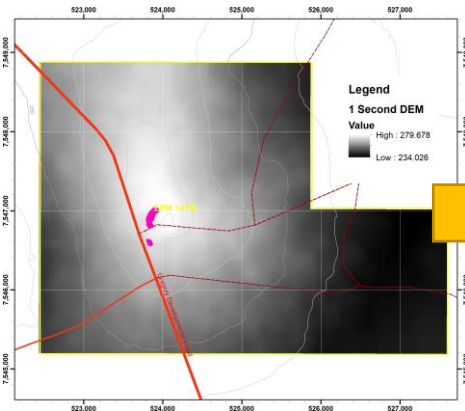
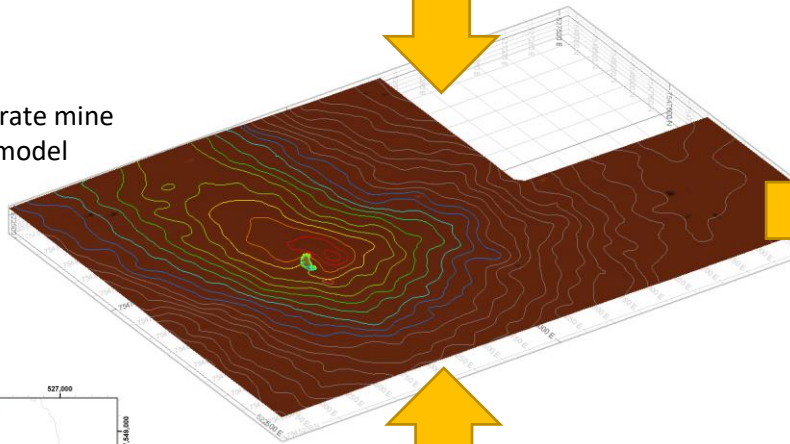


1. Recovered pit survey



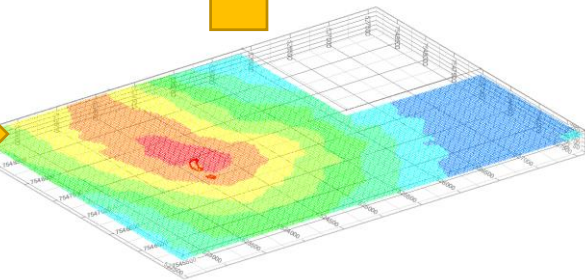
2. Reconstruct pit shell

5. Combine to generate mine area digital terrain model



3. Source 2D NASA satellite radar elevation map

4. Convert to 3D data point cloud



6. Draped high res satellite imagery yielding working 3D topography with accuracy sub- 1m in x and y, and sub- 2m in z, to validate historic data and facilitate forward programme design



Project Reconstruction: Topography

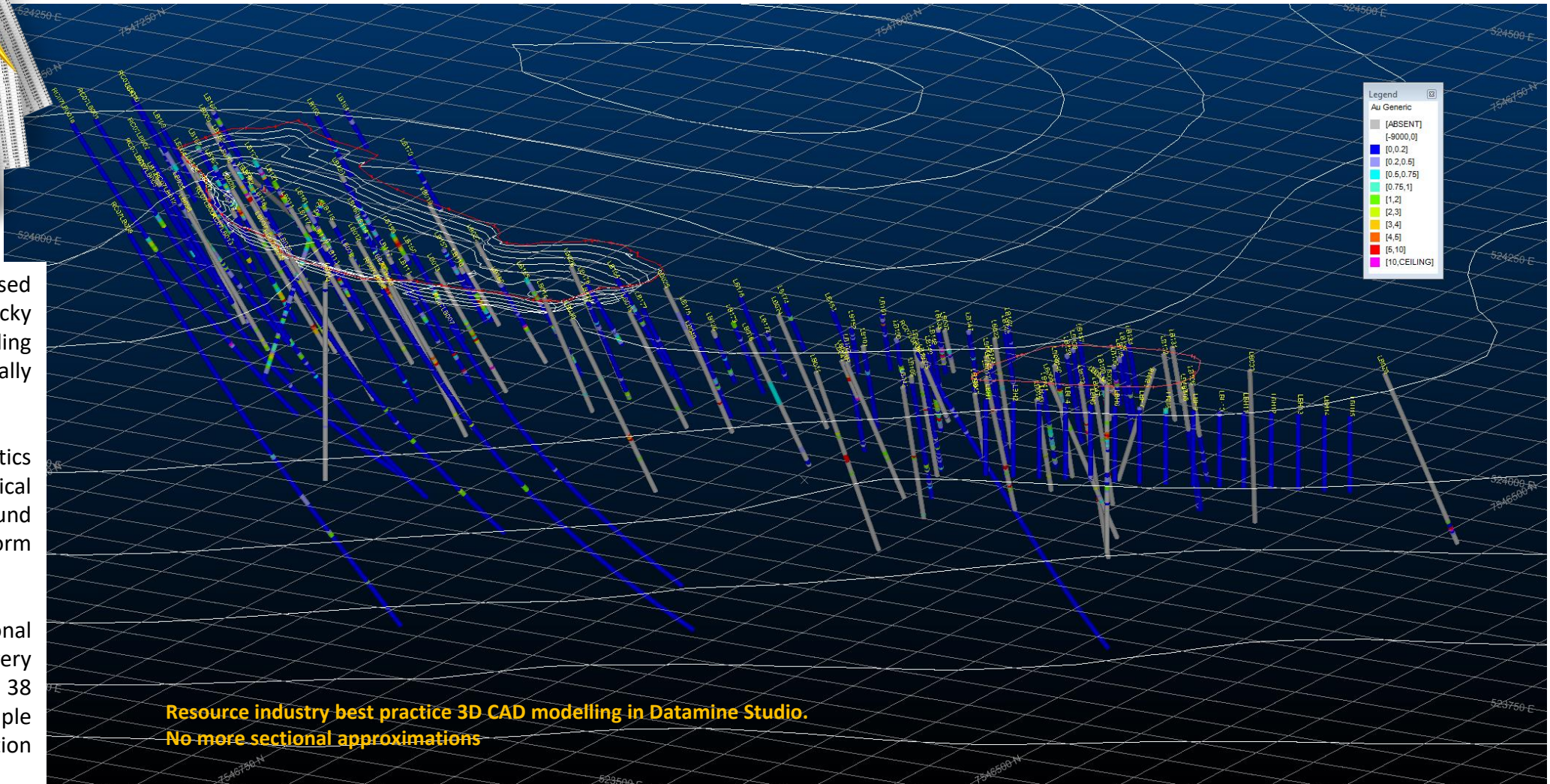


Scanned historic drill logs used to validate and correct Lucky Break drill data, including QAQC codes and statistically valid parallel data sets.

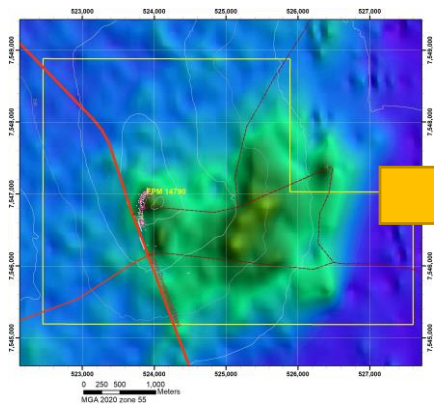
JORC compliant statistics determining geochemical correlations and background anomalism levels to inform future exploration.

Over 9000 lines of additional data and corrections to every generation of drilling back 38 years, followed by multiple rounds of CAD importation and validation checks.

This resulted in a high quality **3D CAD drill data model** suitable for JORC compliant resource development work.



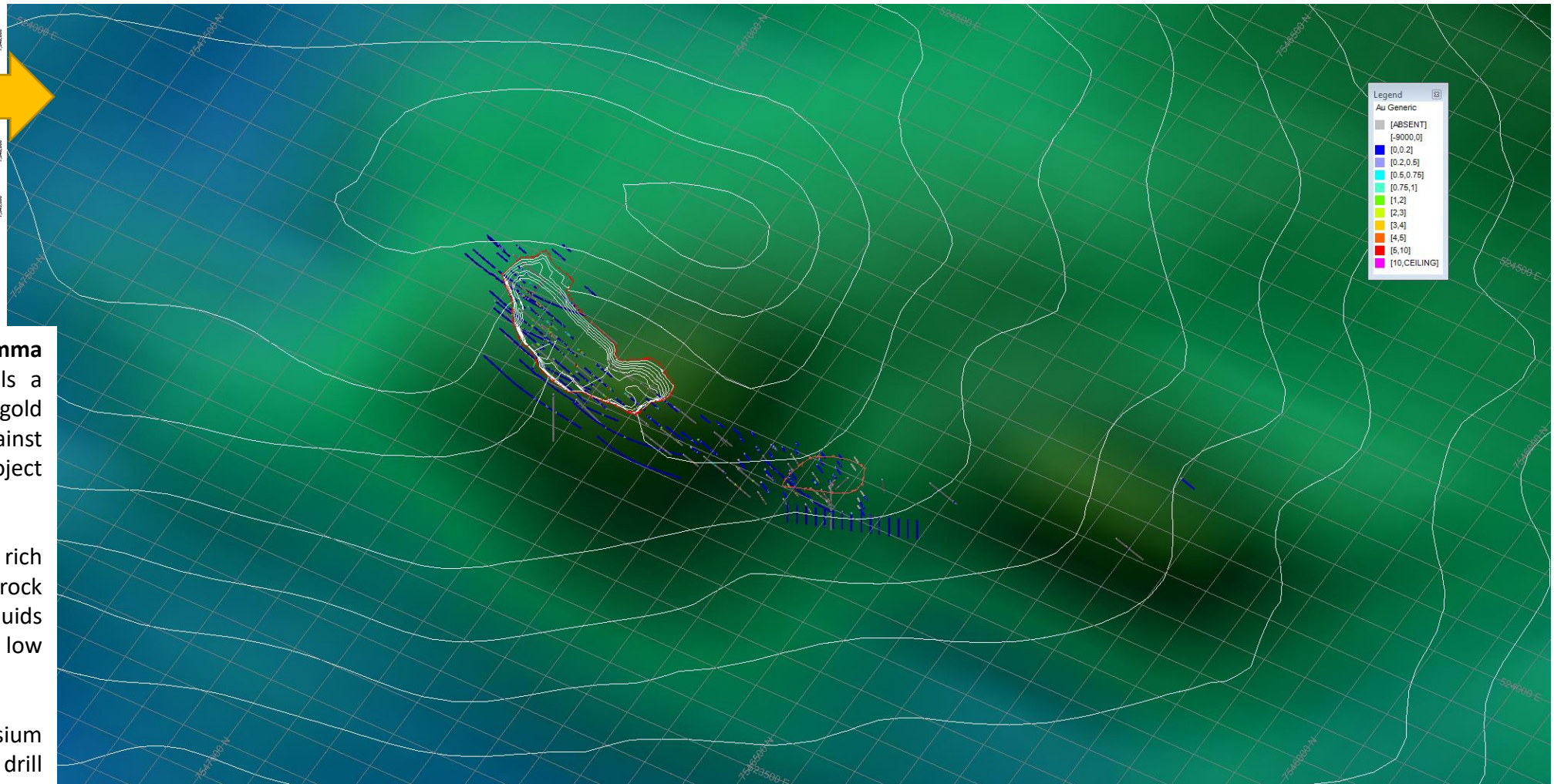
Project Reconstruction: Drill Hole Data



Radiometric **Potassium-40 gamma ray spectrometry** data reveals a strong correlation with gold mineralisation, validated against multiple deposits in the Project area.

This is because potassium rich minerals created through wall rock alteration by mineralising fluids stand out clearly in this low potassium geological province.

Using CAD to bring the potassium data into 3D space beside the drill and surface models allows geophysical guidance to inform future drill planning.

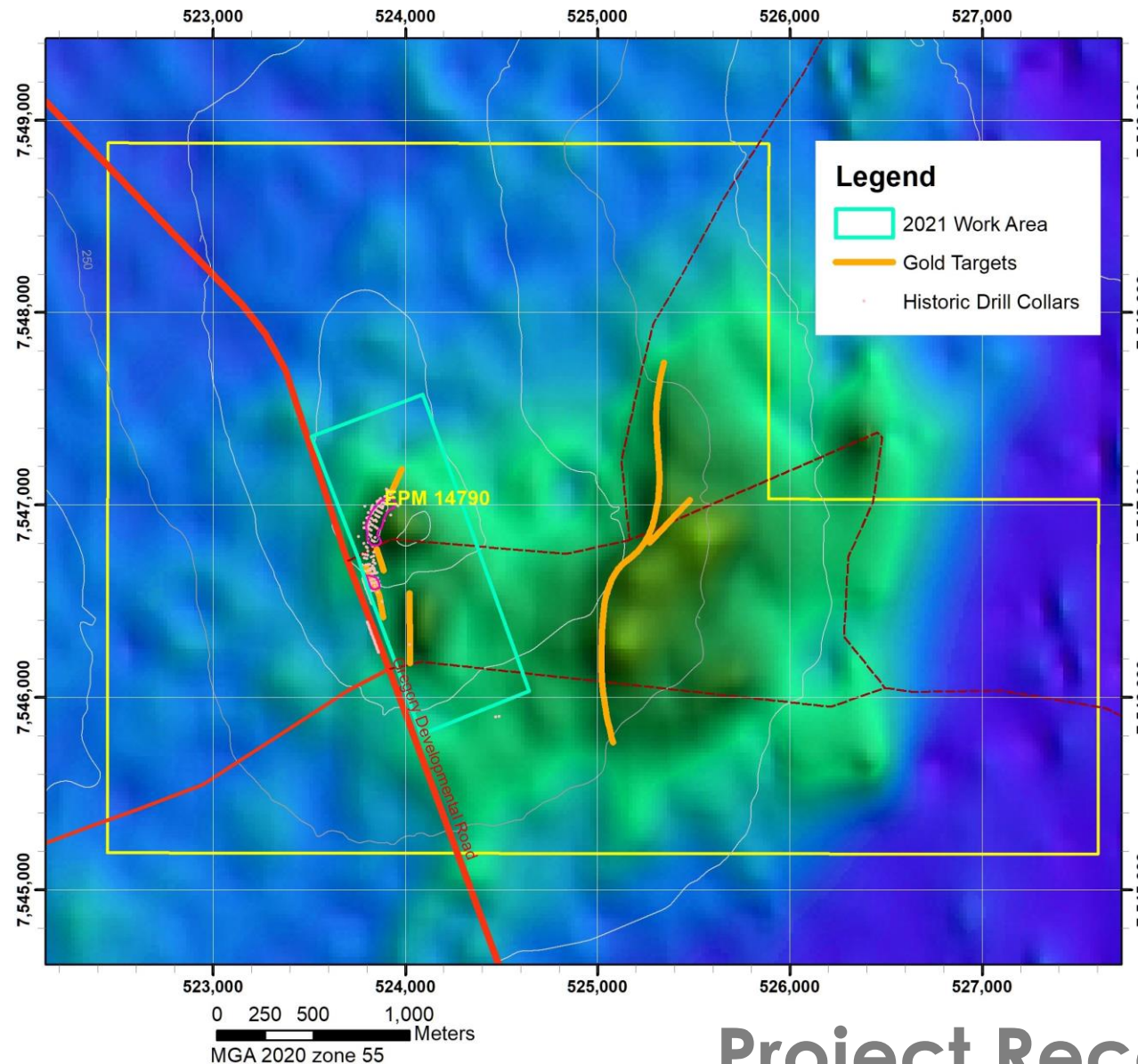


Project Reconstruction: Geophysical Correlations

Radiometric potassium anomalism also reveals exploration potential in the Lucky Break area.

Lucky Break itself shows along strike AND structurally offset anomalism equating to extensional potential of approx. 664 m on top of the existing strike length of 280 m in pit for a total potential 886 m.

QX Resources has already established its Lucky Break work area for 2021.



Lucky Break East is also highlighted as a high priority target by potassium spectrometry.

This blind target was tested historically with soil sampling and although positive for gold, was never followed up.

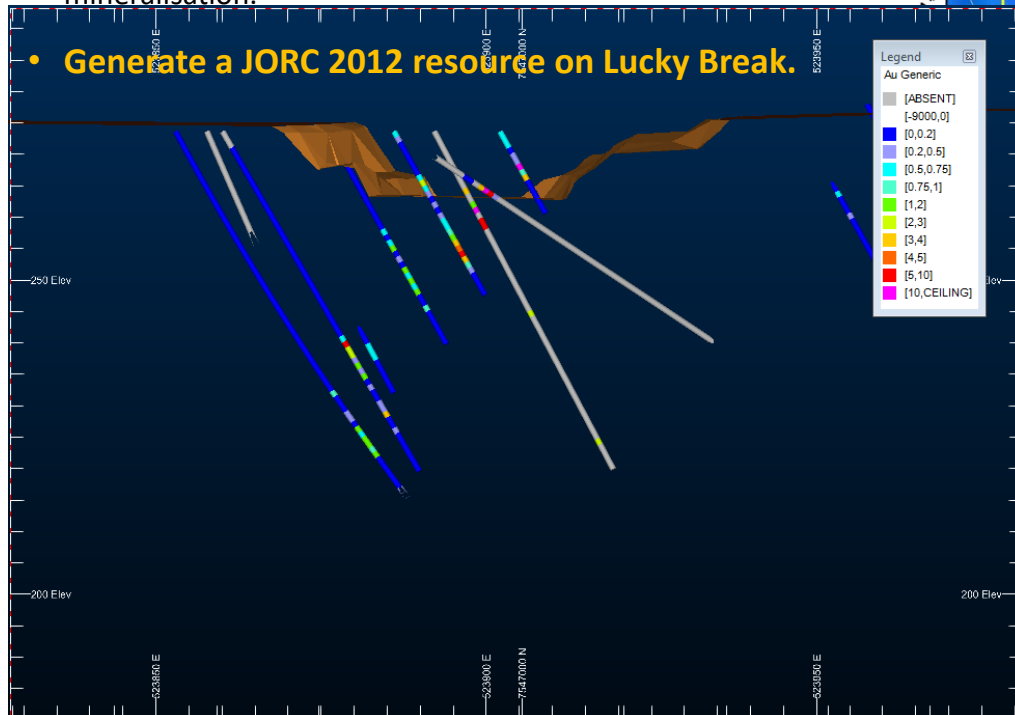
The magnitude of radiometric anomalism is similar to, or stronger than, that of Lucky Break itself.

This adds a further 2,373 m of strike length potential warranting further exploration; bring the Lucky Break **exploration potential to 3,259 strike metres**.

Project Reconstruction: Exploration Potential

PRIORITY 1 - Lucky Break: Next Steps

- Short path to operations
- Source missing historic data to complete gaps in drill hole knowledge base.
- **Wireframe modelling of gold mineralisation** to JORC standards to facilitate high confidence drill programme design and forward planning.
- Design an RC drill hole programme to infill and extend the mineralisation.
- Complete first stage **drilling in 2021**.
- Conduct fresh metallurgical testing for recovery, kinetics and tails characterisation in both fresh and oxide mineralisation.



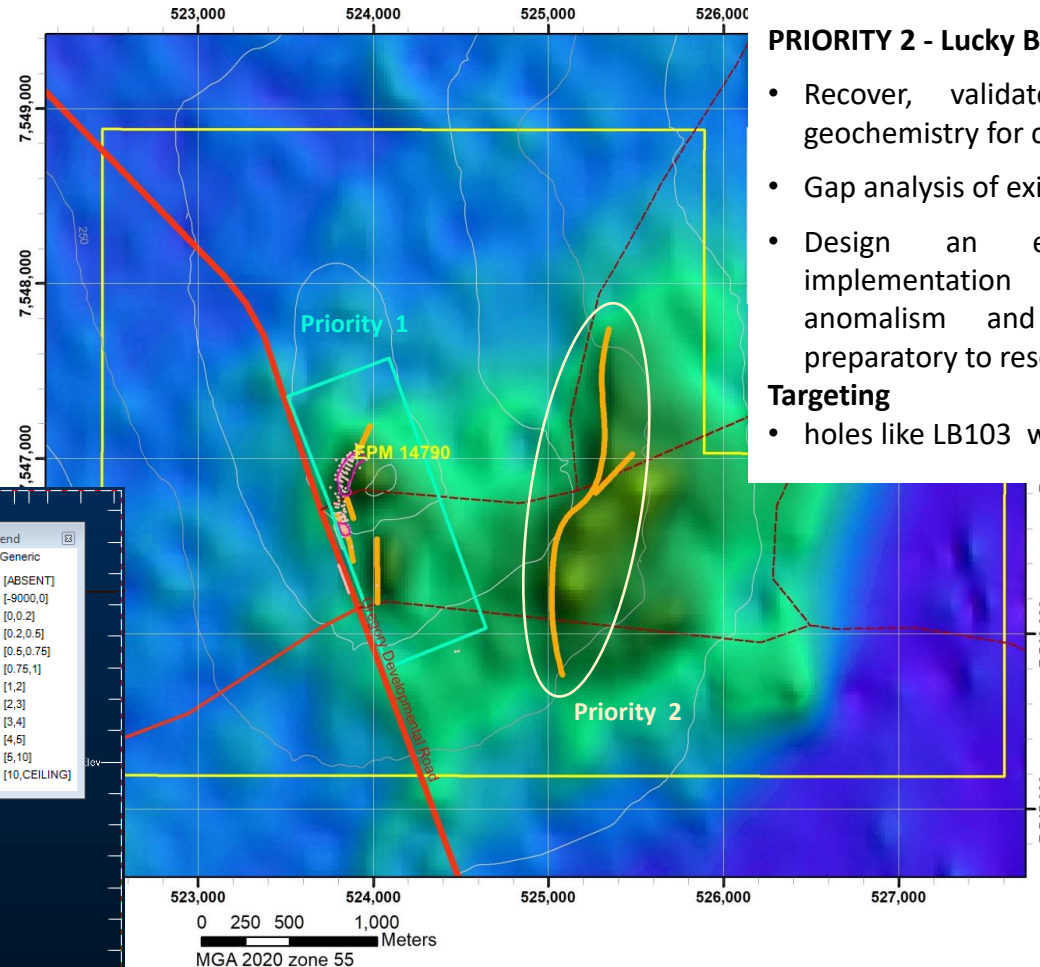
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PRIORITY 2 - Lucky Break East: Next Steps

- Recover, validate and import historic soil geochemistry for correlation with geophysical data.
- Gap analysis of existing knowledge base.
- Design an exploration programme for implementation late 2021 to 2022 to test anomalism and define gold mineralisation preparatory to resource development.

Targeting

- holes like LB103 with its 6m at 40.6 g/t,



Project Reconstruction:
Going Forward

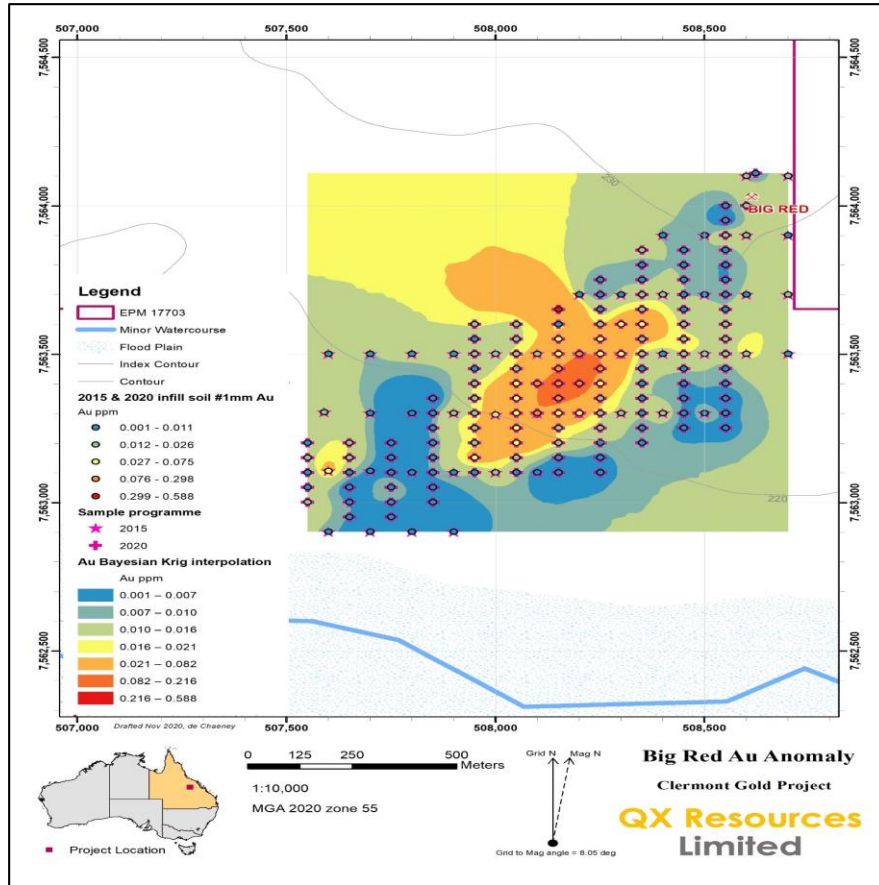
Clermont Exploration

Red Dog Gold Soils anomaly

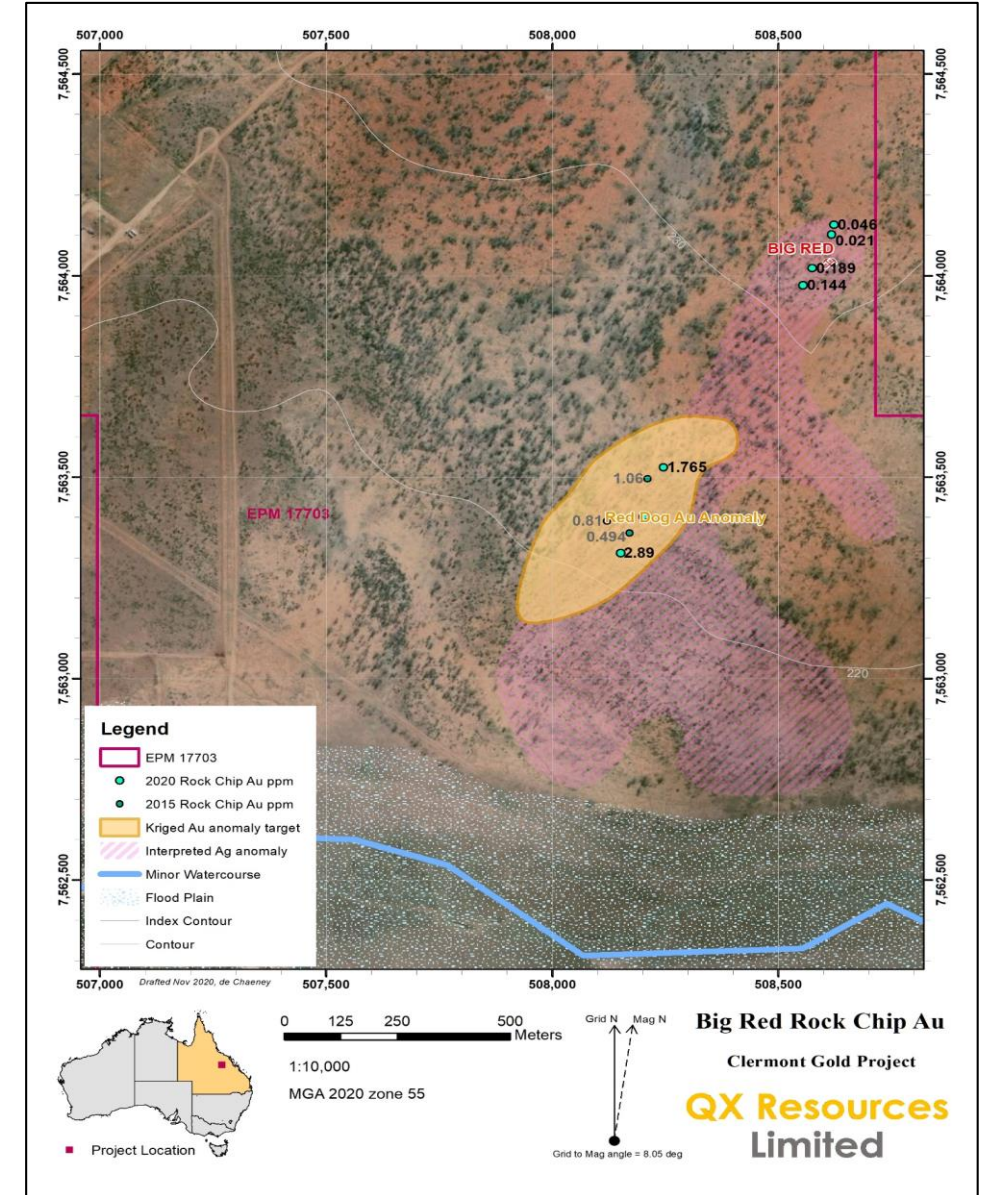
Ibis Gold Soils anomaly

RESULTS OF BIG RED and RED DOG SOIL SAMPLING

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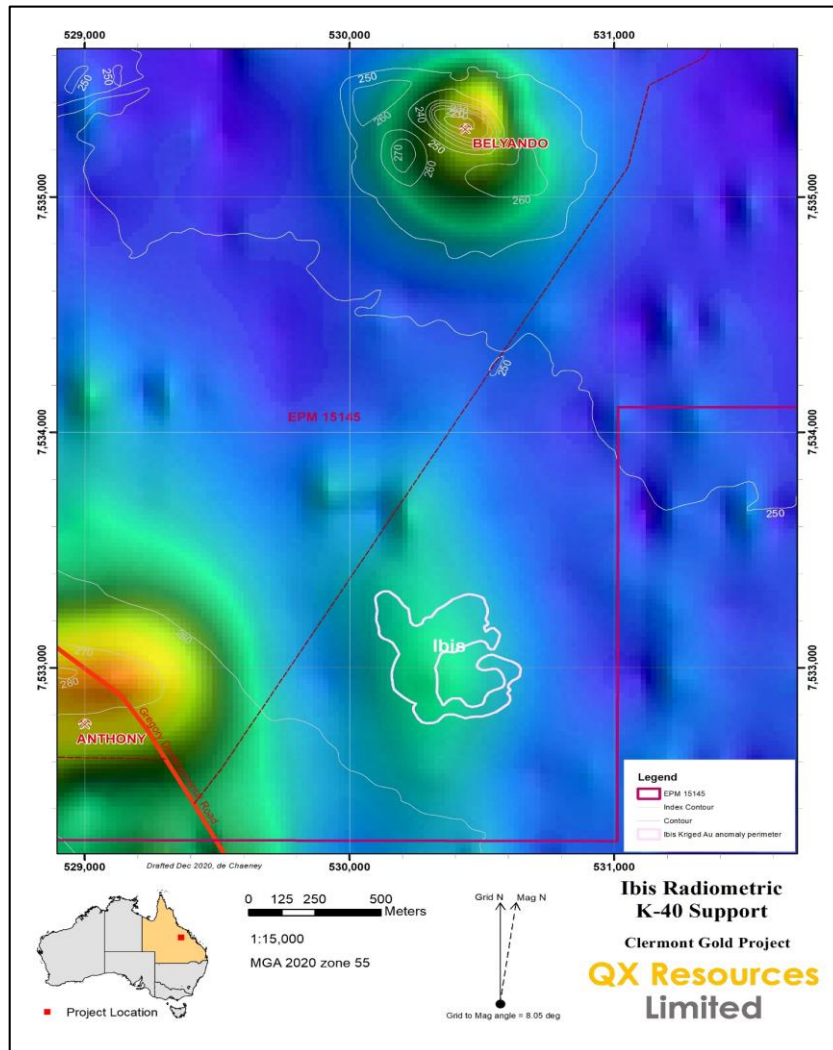


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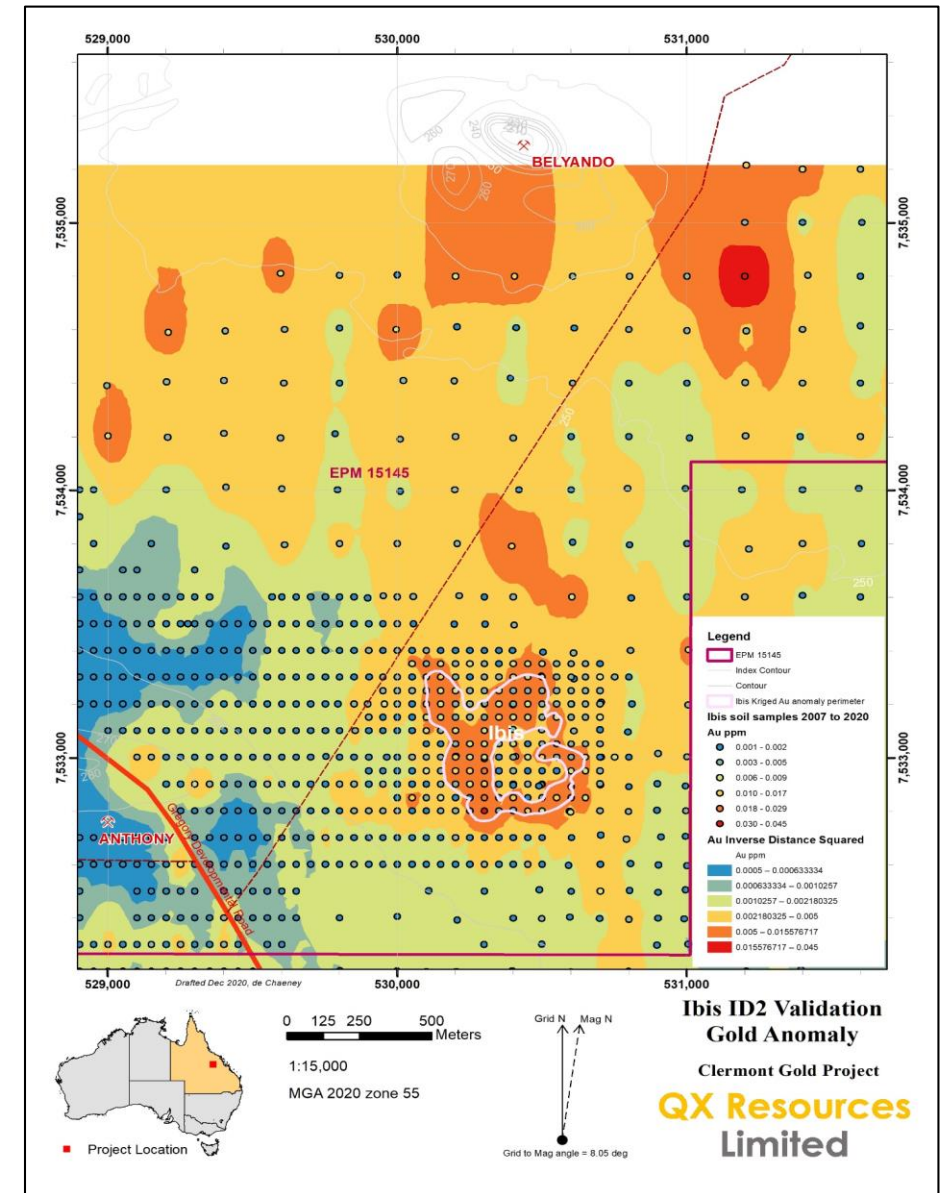


RESULTS OF IBIS SOIL SAMPLING

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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. Gold anomalism is supported by clear coincident arsenic anomalism. (ASX Announcement 13 December 2020).





– Big Dog and Red Dog : **Next Steps**

- Complete relevant permitting
- Design an RC drill hole programme
- Complete first stage **drilling and costeaning in early 2021.**

Priority 2

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www.qxresources.com.au