

2 February 2021

QX applies for new highly prospective 232 km² tenement package in Queensland's Drummond Basin

- **New Llanarth Project is prospective for gold-silver mineralization**
- **QX now has exposure to ~350km² of exploration ground in the Drummond Basin**
- **QX finalizing plans for maiden drill program at Zamia's historical Lucky Break mine and extensions with drilling to commence this month**

QX Resources Limited (ASX:QXR, QX Resources or the Company) is pleased to announce it has secured a new tenement holding in Queensland's Drummond Basin covering some 232km² and prospective for gold and silver mineralisation. The Company has received correspondence from the Department of Resources (DoR) advising that the works program has been approved for new Exploration Permit for Minerals (EPM) 27791 (Llanarth), held by Skyfall Resources Pty Ltd, a 100% owned subsidiary of the Company.

Application Rationale

- The exploration model to be applied to the Llanarth Project is principally for epithermal-style gold-silver mineralisation.
- QX Resources already has a significant and established presence in the area and is actively exploring within the region for epithermal-style gold-silver mineralisation.
- Western Mining Ltd had previously pegged a number of mining leases within the Llanarth tenement area while exploring the Yandan deposit to the east in the 1980's (see Figure 3).
- The license area includes a significant portion of Devonian, Lower Cycle 1 Drummond Basin Stratigraphy. This includes sedimentary and volcanic units of the St Annes Formation adjacent to a NNW-trending faulted contact with Proterozoic lithologies of the Anakie Inlier. The lower Cycle 1 stratigraphy of the Drummond Basin is host to a significant number of epithermal gold-silver deposits in northern Queensland, including the Pajingo, Wirrallee, Mt Coolon and Yandan deposits (see Figure 3).
- Epithermal gold deposits form in volcano-plutonic, continental-margin environments and commonly show a genetic relationship to regional, basin-bounding extensional structures, and high-level intrusions. The Yandan - Mount Hope region, including the area covered by the Llanarth, is located in this tectonic setting, and considered prospective for discovery of additional epithermal-style Au-Ag deposits.
- Ramelius Resources Limited held a large block of ground intersecting the southern portion of EPM 27791 but essentially undertook no fieldwork while they had the tenement and relinquished the tenement in August 2019. However, they did undertake aeromagnetic data re-interpretation. Further to this they did develop some targets leading to a set of air-core drill traverses to test a major NW-trending magnetic lineament, interpreted as a regional fault structure separating the Anakie Metamorphics from the Drummond Basin Stratigraphy. QX intend to follow this philosophy up with either air core or RC drilling following further groundwork, including targeted multielement soil geochemistry.

Non-Executive Director Roger Jackson said: *“The Llanarth tenement adds considerably to our existing package of tenements in the highly prospective Drummond Basin above Clermont in Queensland. We clearly have been pleased with our exploration success to date and given we have reviewed available data and see some strong parallels in the geology to our existing properties that we hold through the agreement with Zamia, we are confident this tenement application will deliver value for shareholders.*

“Our immediate priority is to commence drilling at the Lucky Break historical mine and surrounding areas and we expect to have the drill rig turning later this month, weather permitting. Our technical team is close to finalising the details of the program following a recent site visit and extensive remodelling of all historical data. Lucky Break is a very compelling opportunity for QX and I look forward to updating shareholders on the program, reporting some new results from the recent site visit and some very exciting new geological data that we have defined.”

Location

EPM 27791 is located approx. 165km south-south-east of Charters Towers, within the Drummond Basin of Northeast Queensland. The tenement is covered by the Scartwater (8255), Bulliwallah (8254) 1:100,000 and Buchanan (SF55-6) 1:250,000 geological map sheets. It lies within the Clonmel, Jumba, Llanarth and Mount Douglas Stations. Access to the tenement is via public roads and station tracks. Location is shown in **Figure 2**.

Geological Setting

EPM 27791 lies within the Thompson Orogen's highly prospective Drummond Basin sedimentary stratigraphy straddling the Cycle 1 units of St Anne's Formation and the Llanarth Member to the east, and the Cycle 2 units of Star of Hope, Mt Hall and Scartwater Formations to the west (**Figure 3**). The Drummond sediments are intruded by late Devonian to early Permian intermediate to felsic plutonics deriving from the New England Orogen accretion event (see **Figures 1 and 3**). The Drummond Sequence is bound to the east by the Proterozoic Anakie Metamorphics (**Figure 3**). Although largely concealed by Tertiary cover, aeromagnetic data suggest that contact with the Anakie Metamorphics comprises major, basin-bounding fault structures in several areas. This litho-structural setting is considered highly prospective for epithermal Au-Ag deposits throughout the Drummond basin, and forms the overall rationale for the current license application.

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, 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

Figure 1: Early Carboniferous back arc development of Drummond Basin following accretion of the Devonian New England Orogen.

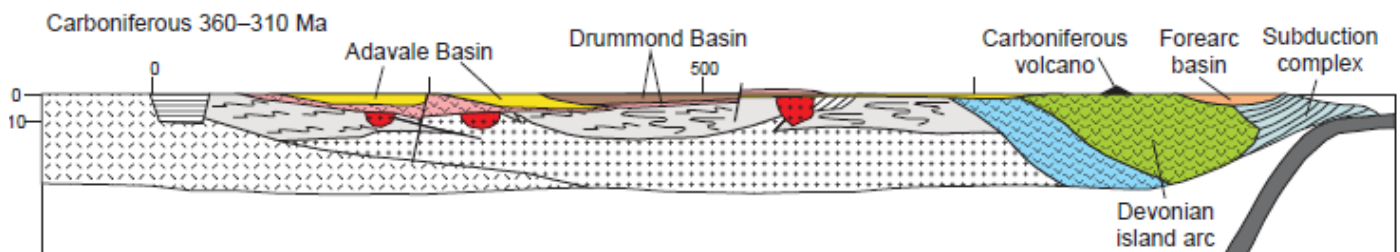


Figure 2: QXR's Clermont Gold Project location showing EPM 27796 and existing project EPMS.

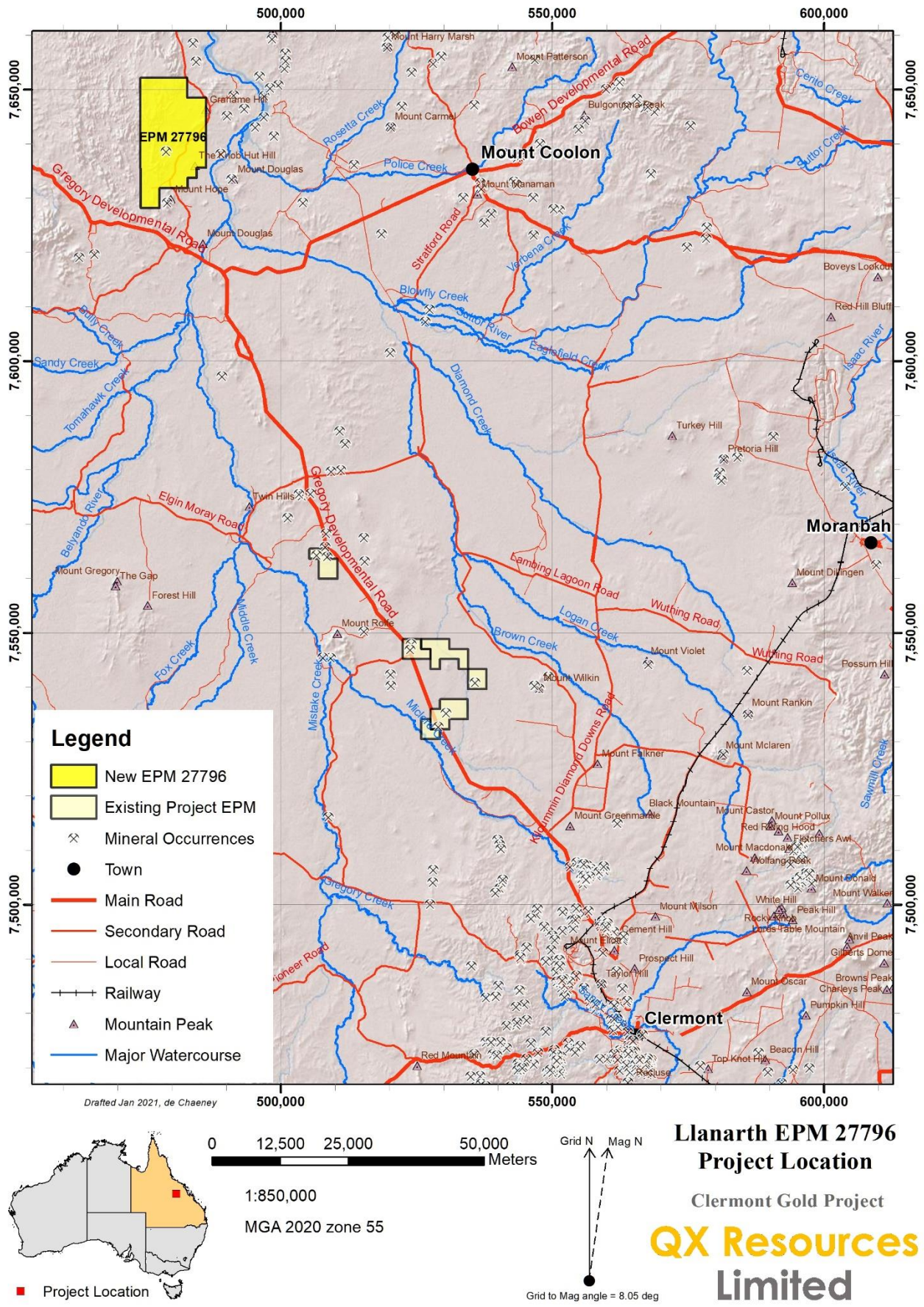
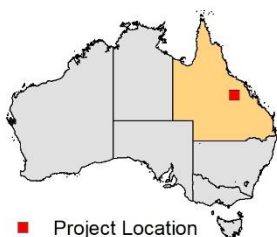
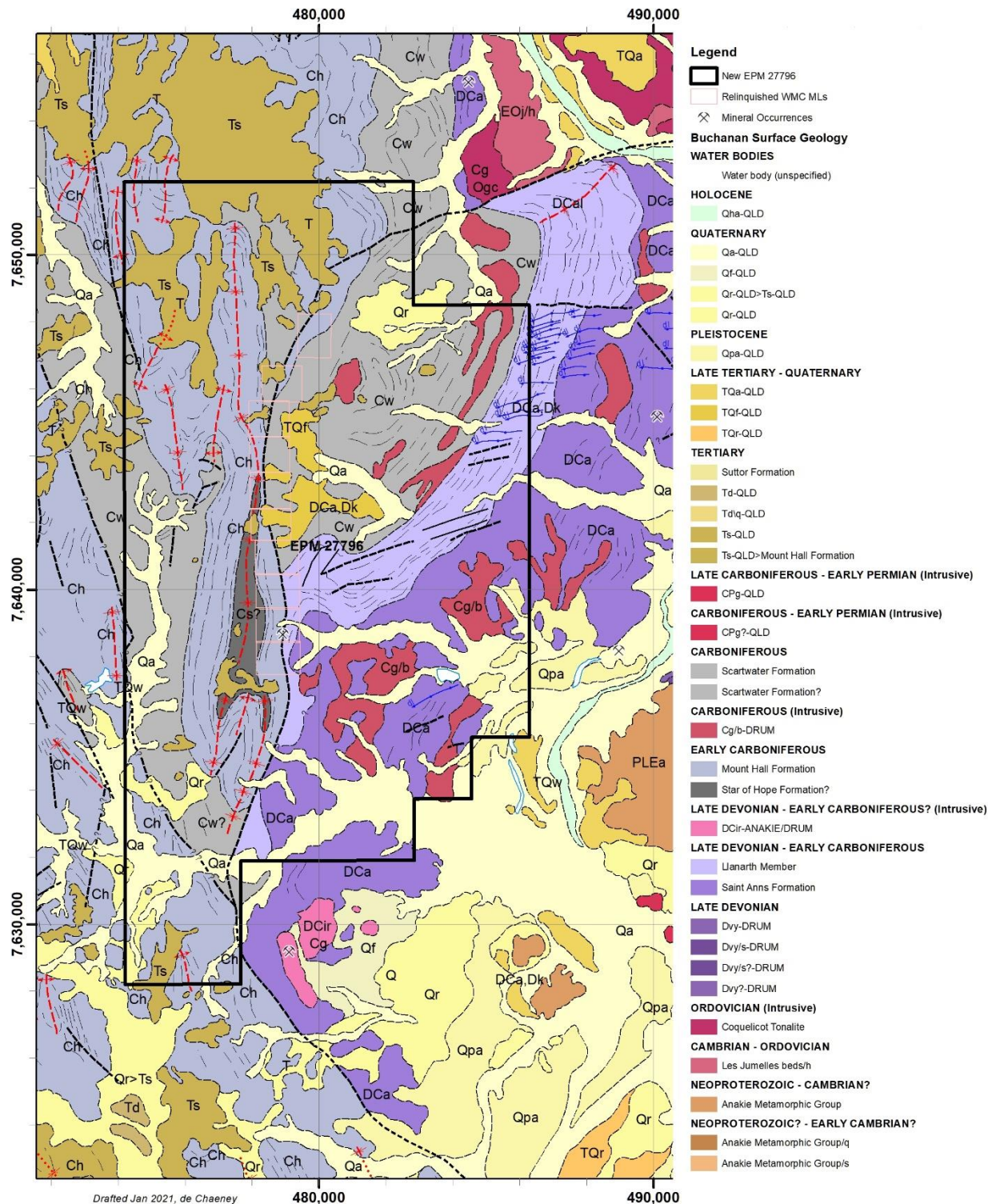


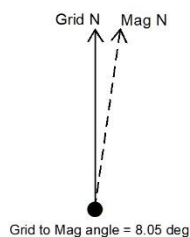
Figure 3: EPM 27796 Geology showing EPM 27796 boundary and the historic relinquished WMC MLs.



0 1,250,2,500 5,000 Meters

1:150,000

MGA 2020 zone 55



Llanarth EPM 27796
Project Geology
 Clermont Gold Project
QX Resources Limited

Target generation via geological, aeromagnetic and radiometric data correlations

EPM 27796 is target rich. Analysis of Public domain aeromagnetic data has generated the following initial exploration targets:

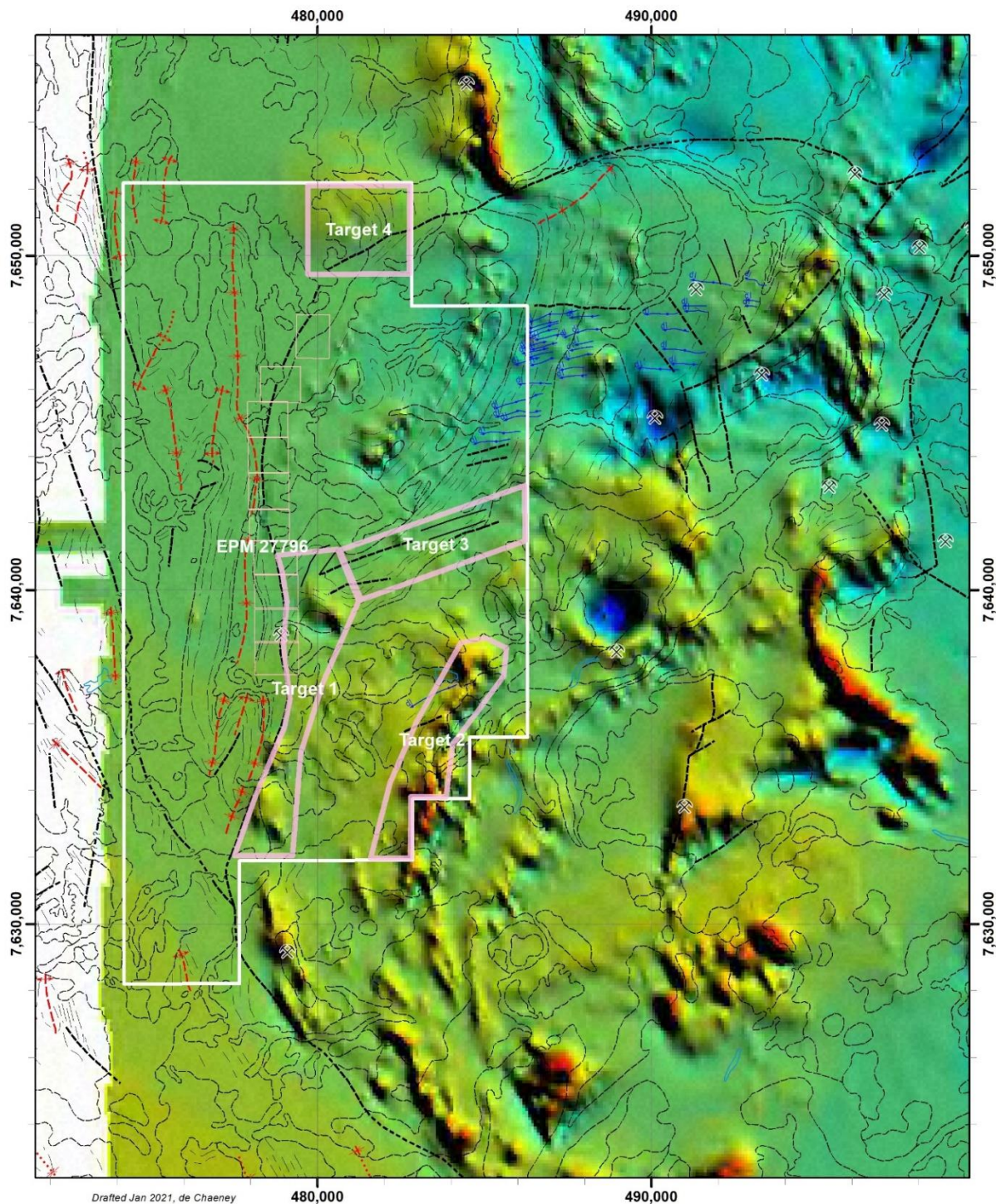
- **Target 1** on the southern end of the north trending arcuate fault. This fault divides the Cycle 1 and Cycle 2 Drummond sediments, intersecting both St Anne's Formation and the Llanarth Member. The east side of the fault includes several magnetic anomalies within St Anne's Formation which are uncorrelated with exposed geology (**Figure 4**). The Boozer Dam gold prospect falls within this target area. Elevated radiometric response within this target correlates with the Llanarth Member (**Figure 5**).
- **Target 2** is a strong magnetic linear correlating with a partially covered intrusive within St Anne's Formation. This shows a notably elevated TMI compared with other similar intrusions mapped in the immediate area and the linear structure suggests emplacement may be structurally controlled by faulting near or on the Anakie metamorphic contact (**Figure 4**). The radiometric anomaly in this area is correlated with the intrusion (**Figure 5**).
- **Target 3** is focused on the mapped east northeasterly fault trend crossing from the Llanarth Member into St Anne's Formation and trending towards the Anakie Metamorphic suture. Further unmarked targets of this type can be seen on **Figure 3** to the north of Target 3. This type of structure is considered a prospective mineralizing fluid conduit and depositional environment.
- **Target 4** is focused on a magnetic anomaly on the northeast margin of EPM 27796 which is proximal to the northern end of the central arcuate fault where it turns to the northeast (**Figure 4**). The magnetic anomaly does not correlate with mapped geology or radiometric response (**Figure 5**). This may indicate a blind intrusive adjacent to the fault zone.

Further targets within EPM 27796 which are not highlighted on **Figures 3** and **4** include:

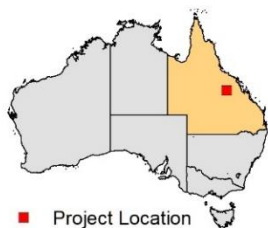
- The Fault zone between Target 1 and 4.
- The small faults on the western side of the tenement, especially where these intersect the mapped antiformal hinges.
- The fault parallel (east-northeast trending) dykes in the Llanarth member, crossing into St Anne's Formation, in the northeast margin of the tenement.

QX Resources Limited

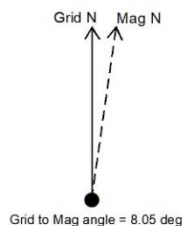
Figure 4: Public Domain hill shaded total magnetic influence overlain by structural geology layer from Figure 3, showing initial EPM 27796 target areas. Scale and extent are preserved from Figure 3 for ease of comparison.



Drafted Jan 2021, de Chaeney

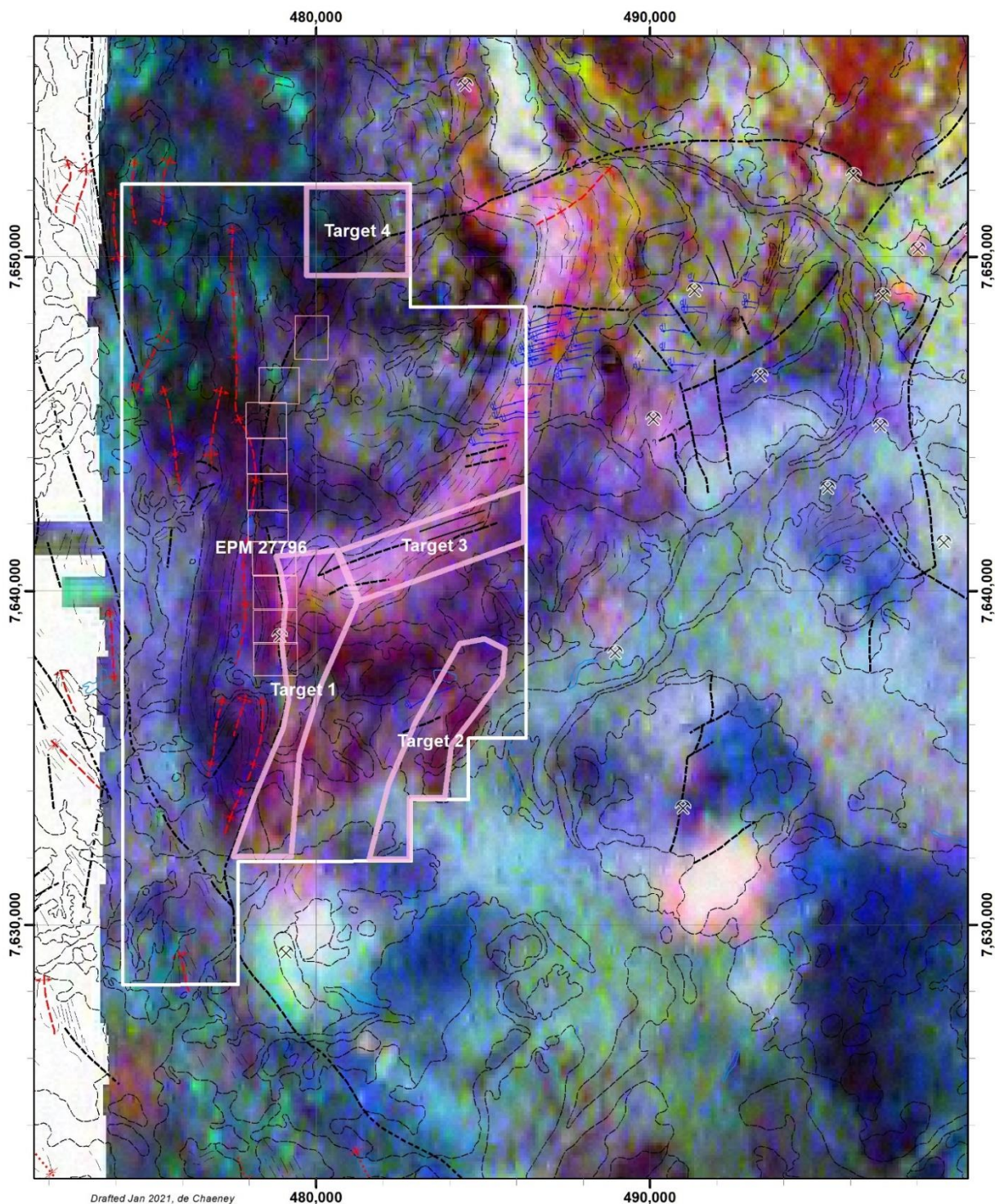


0 1,2502,500 5,000 Meters
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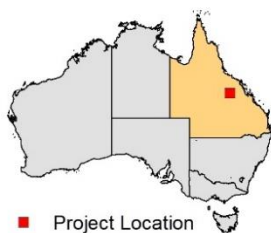


Llanarth EPM 27796
Aeromagnetic TMI
 Clermont Gold Project
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Figure 5: Public Domain ternary radiometrics overlain by structural geology layer from Figure 3, showing target correlations. Scale and extent are preserved from Figure 3 for ease of comparison.



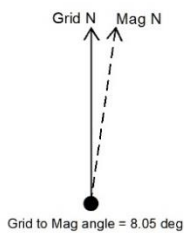
Drafted Jan 2021, de Chaeney



■ Project Location

0 1,250,250 5,000
Meters

1:150,000
MGA 2020 zone 55



Llanarth EPM 27796 Ternary Radiometrics

Clermont Gold Project

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Competent Person's Statement

The information in this report that relates to the Llanarth exploration tenement 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

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