QX Resources Limited

2 September 2021

Metallurgical Evaluation and Test Work Underway on Advanced Stage Anthony Molybdenum Deposit

QX Resources Limited (**ASX: QXR**, '**QX Resources' 'QX'** or '**the Company'**) is pleased to confirm that Stage 1 test work on its advanced stage Anthony Molybdenum (Mo) deposit ('Anthony') which sits within QX's 115km^2 of permits in Central Queensland is underway.

Working with the Company's technical team is experienced metallurgist and mineral economic consultant Dr Colin Seaborn, appointed to evaluate metallurgical opportunities for the oxide component (surface to 70m depth) of the Anthony molybdenum deposit. Dr Seaborn has a deep understanding of the Anthony deposit having historically consulted to Zamia Limited (Zamia) and commissioning the initial test work on the Molybdenum oxide material.
Based on drilling to date, there is estimated to be 20Mt of oxidised Molybdenum at grades of ~500ppm to 70m depth ***(see figure 3).***

Comment

Non-Executive Director Roger Jackson commented: *"QX is now well underway with project development work for the Anthony deposit. Previous work focused on modelling of the higher-grade sulphide ore which is located 60 to 80m below surface with no consideration given to the very large oxide resource present from surface to 70m which we believe can be mined and processed for potential customers in the chemical and agribusiness sectors. The oxide zone is exposed at surface, and being weathered, it lends itself to low cost mining and crushing.*

We are also making solid headway on an up-scaled exploration program across our gold projects following the successful maiden Lucky Break drill program. More targets have been identified and we expect to commence work on site in the next two weeks prior to further drilling being undertaken. An update will be provided shortly."

Background on Phase 1 Anthony Test work program underway

Stage 1 test work encompasses the following and is expected to be completed later in 2021:

1. Gravity Beneficiation
QX will assess its options to upgrade the Anthony molybdenum deposit through simple and low-cost gravity techniques. Molybdenum is a heavier mineral than the rock in which it is hosted. The beneficiation and process design studies which will be undertaken by Core Resources Brisbane. The study is designed to confirm that capital and operating costs can be substantially reduced by decreasing the mass and increasing the molybdenum grade of the feed material to the processing plant by simple spiral and/or centrifugal gravity processes. Early test work reported previously by Zamia indicated positive gravity processing potential.

2. Leach extraction test work
Further leach test work of the oxide ore is also planned to be undertaken at Core Resources, with QX aiming to demonstrate that the project can produce saleable molybdenum products such as Sodium Molybdate and Ammonium Molybdate (both used in the chemical and agricultural sectors) from the oxide component of Anthony. This process, known as the Climax Process, was used successfully by the Climax Molybdenum Mine in Colorado, United States which was historically the world's largest Molybdenum mine.

Previous studies by CSIRO have shown that the Anthony oxide resource can be successfully leached with robust recoveries to produce ammonium molybdate, which can be used in the agricultural and chemical industries. As indicated on the International Molybdenum Association web site (see https://www.imoa.info/molybdenum/molybdenum-processing.php) the molybdates may also be converted to molybdenum oxides and molybdenum metal.

As reported, Anthony is an advanced-stage pure Mo deposit located in a Tier 1 jurisdiction and is yet to be fully exploited. Hellman & Schofield Pty Ltd produced the Mineral Resource Estimate (MRE) in 2012 for the Anthony Mo deposit that was publicly reported under JORC 2004 on 15 March 2012 by Zamia. The Inferred Resource for the primary (sulphide) zone stands at 112 million lb of contained Mo using a 400 ppm Mo cut-off grade; the oxide and partial oxide zones have 20 and 6 million lb, respectively, of contained Mo using a 400 ppm Mo cut-off grade. At a cut-off grade of 600 ppm Mo, the Inferred Resource for the primary (sulphide) zone includes 20mt at 800 ppm Mo for 35m lb Mo[1].

Molybdenum Uses

- It is used with steel to form ultra-high strength steel. Alloys of this type can withstand pressure of up to 300,000 pounds per square inch;
- It also has a high melting point, and it makes the steel stronger at higher temperatures. Molybdenum can withstand extreme temperatures without significantly expanding or softening, making it useful in environments of intense heat, including military armor, aircraft parts, electrical contacts, industrial motors, and supports for filaments in light bulbs;
- The metal is also used extensively in the nuclear power sector, and it is also used to make aircraft and missile parts;
- Most high-strength steel alloys contain 0.25% to 8% molybdenum. Even in these small portions, more than 43,000 tonnes of molybdenum are used each year in stainless steels, tool steels, cast irons, and high-temperature superalloys;
- When it is alloyed with nickel, it also forms an alloy that's highly resistant to both heat and corrosion. This makes it highly valuable in the chemical industry;
- When paired with disulphide, it becomes a compound that is used as a lubricant for high temperatures;
- Paired with trioxide (O_3), it forms another compound that is used to attach enamels to metals.
- It can also be used as a catalyst to refine petroleum.
- Molybdenum compounds can be used in the chemical/agribusiness sectors as lubricants, corrosion inhibitors, paints and surface coatings, smoke suppressants, pigments, ceramics and nanomaterials. In 2020 chemical products accounted for around 13% of molybdenum demand. (32,000 tonnes of contained molybdenum).

Cut-off Grade	Sulphide Resource			Transition Resource (partial oxide)			Oxide Resource			Total Resource		
Mo [ppm]	Mt	Mo [ppm]	Contained Mo [Mlb]	Mt	Mo [ppm]	Contained Mo [Mlb]	Mt	Mo [ppm]	Contained Mo [Mlb]	Mt	Mo [ppm]	Contained Mo [Mlb]
600	20	800	36	1.3	730	2.1	3.1	660	4.5	25	780	42
400	91	560	112	5.2	540	6.2	17	510	20	114	550	137
200	250	390	215	13	400	11	53	370	43	318	390	269

Table 1: March 2012 Inferred Resource estimate for the sulphide, transition (partial oxide) and oxide zones of the deposit, prepared by H & S. JORC Code 2004.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. (Note: Tonnes and grades have been rounded and rounding errors may occur. Results above include cut-off grades higher than 500 ppm Mo are subject to some uncertainty).

[1] Refer ASX announcement made by Zamia Metals Limited (then ASX: ZAM) on 15 March 2012 titled "Anthony Molybdenum Resource Update"

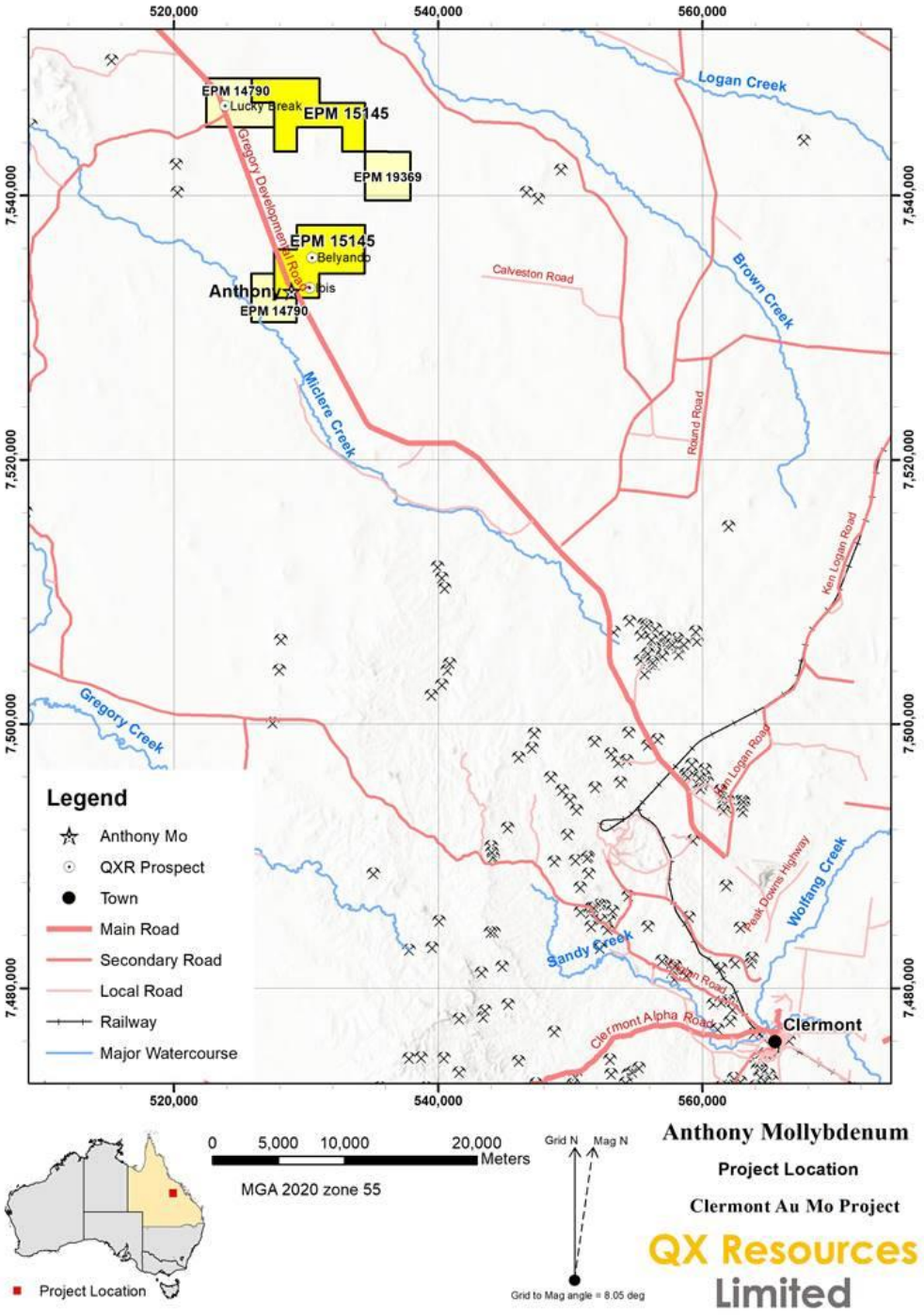

Figure 1: Anthony Molybdenum project location.

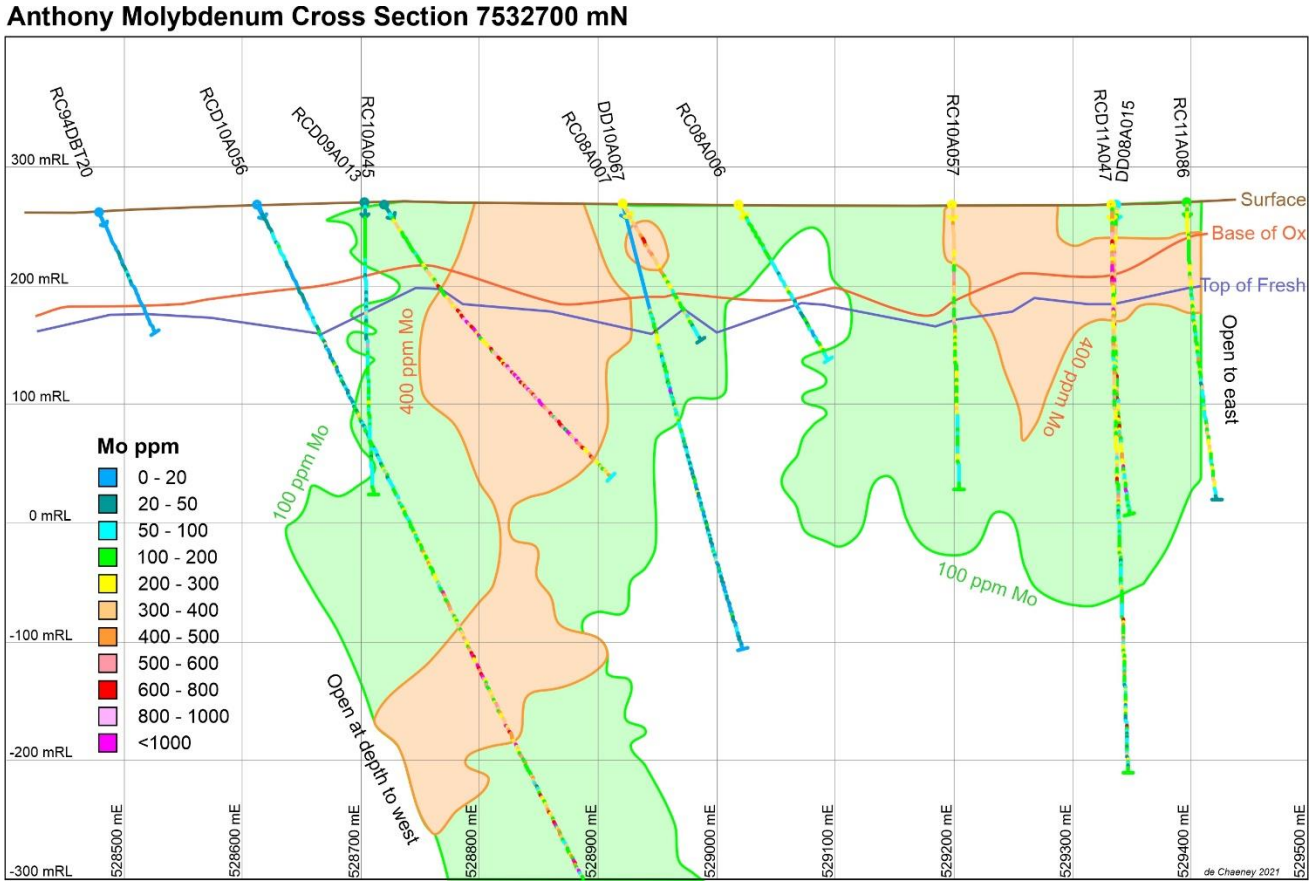

Figure 2. Cross section through the Anthony Molybdenum project. The oxide material sits above the orange line.

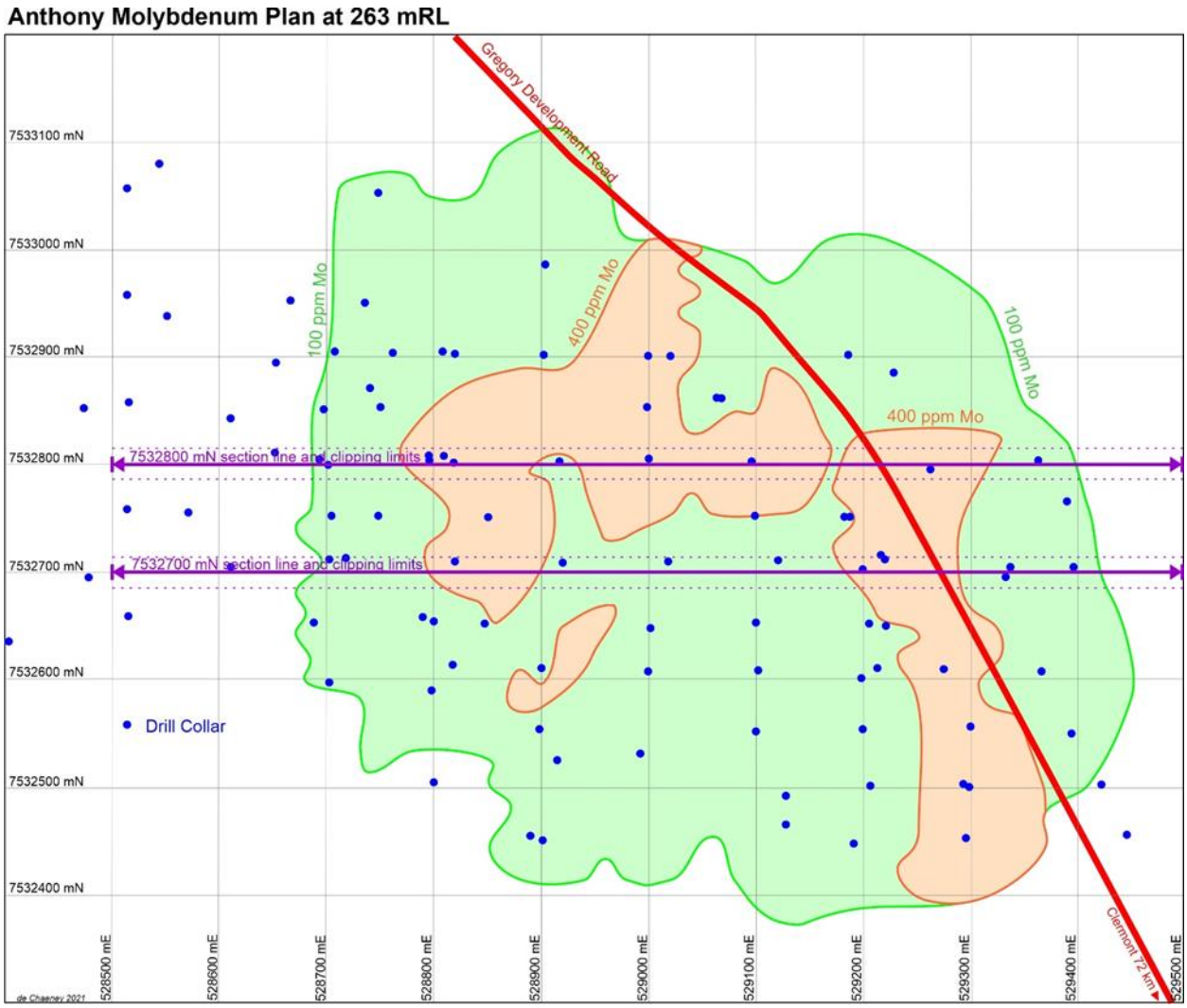

Figure 3. Plan view of the Anthony Molybdenum deposit. The pink area highlights the 400ppm cut off oxide zone.

Authorised by the Board of QX Resources Limited.

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Competent Persons Statement

The information in this report that relates to Anthony Molybdenum Mineral Resource is based on information compiled by Mr. Roger Jackson, a Director and Shareholder of the Company, who is a 25+ year Fellow 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.

The information in this document that relates to Mineral Resources for the Anthony Molybdenum is based on estimates provided by Zamia Metals Limited and previously reported to the ASX. The information is extracted from the following announcements entitled: "Zamia announced updated Anthony molybdenum resource" and "Anthony Molybdenum Resource Update" which are available on the Zamia Metals Website and were announced to ASX on 20 June 2011 and 15 March 2012. The Company confirms that it is not aware of any new information or data that materially affects the Information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.