

17 January 2022

Exercises Option Agreement for Highly Prospective Western Shaw Pilbara Lithium Project

QX Resources Limited (ASX: QXR, 'QX Resources' or 'the Company') is pleased to advise that it has exercised the option agreement ("Agreement") with Redstone Metals Pty Ltd ("Redstone") to acquire 100% of the Western Shaw lithium project (E45/4960) ("Project"), which is also prospective for iron ore, gold and nickel mineralisation (see ASX announcement 17 November 2021).

QXR's geological consultant undertook a site visit last week thus completing the technical due diligence on the Project. Following this site visit, QXR confirms the following:

- Geologically the tenement is in a region dominated by 'nested' granite plutons, many of which are known to host lithium bearing pegmatite dykes.
- A pegmatitic granite occupies a portion of the tenement area, and may be potentially prospective for lithium bearing pegmatite dykes.
- A steeply dipping Banded Iron Formation ridge some 11km in strike was drilled by Atlas Iron showing evidence of high grade iron ore mineralisation.
- There are two nickel occurrences reported some 4km apart and associated with mafic rocks. This could be evidence of mafic intrusion hosted nickel sulphide mineralisation.
- A gold prospect on the western margin of the tenement is associated with a structure that extends into the tenement. The apparent spatial association with two larger gold prospects outside of the tenement is potential evidence of a larger mineralisation system.

As previously reported, the 81km² project is located in the established Pilbara lithium province, Western Australia 220km south east of Port Hedland with access via the Great Northern Highway (**Figure 1**). Western Shaw is already a granted exploration licence with historical exploration results. The main attraction of Western Shaw is a large area in the centre exhibiting all the right geological attributes to host lithium-cesium-tantalum ("LCT") pegmatites. Western Shaw is also located in a proven iron ore province with significant historical exploration work undertaken. The Fortescue Metals and Roy Hill railway infrastructure is located less than 10km southwest of the Project and the BHP railway infrastructure is 25km to the southwest (**Figure 2**).

Comment

QX Chairman Maurice Feilich said: *"Adding Western Shaw to our portfolio delivers considerable value to QXR's shareholders and our focus is to now undertake further reconnaissance work and sampling prior to more comprehensive exploration. Given this is a granted EL, we anticipate no delays in getting on the ground subject only to weather. We expect to provide a fuller update on the findings of the recent site visit very soon."*

\$100,000 cash consideration has been paid to Redstone, with the issue of 40 million fully paid ordinary shares to the vendors being subject to shareholder approval at a meeting to be convened in late February.

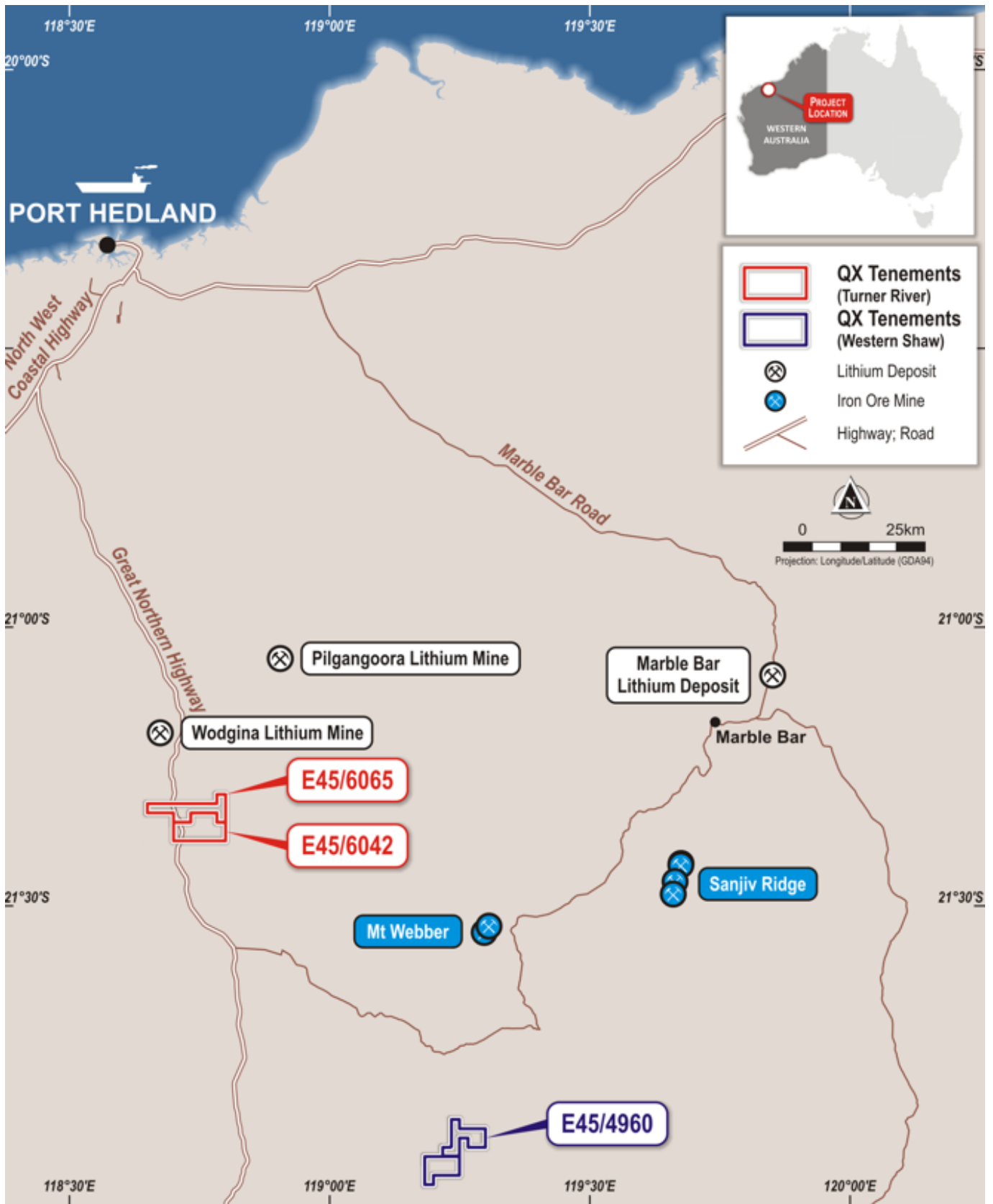


Figure 1: Western Shaw EL 45/4960 tenement location

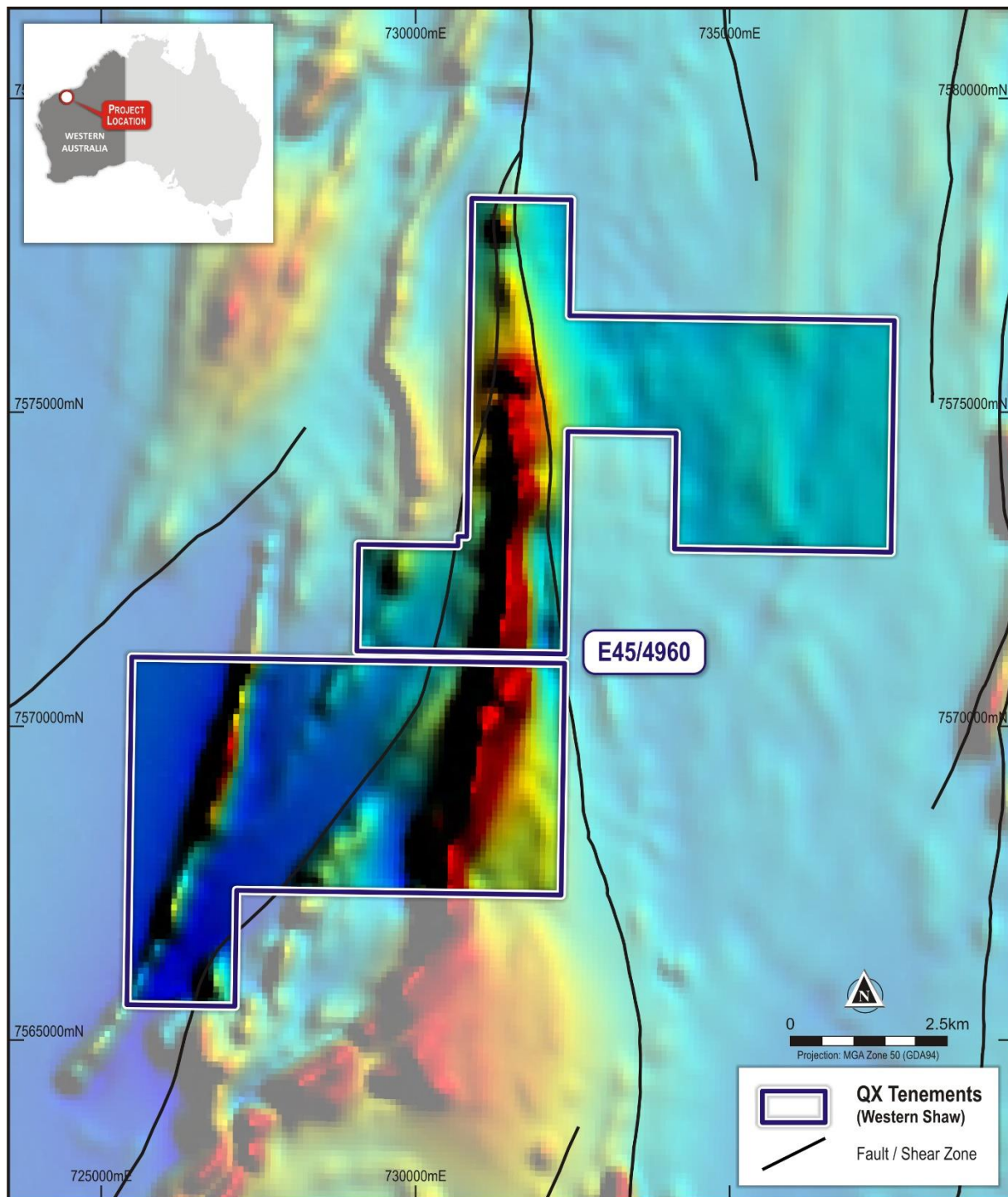


Figure 2: Western Shaw project regional magnetics, highlighting the N-S striking banded iron formation

Authorised by the Board of QX Resources Limited.

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Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets 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.

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.

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