

16 February 2022

Further high grade gold mineralisation encountered at Red Dog

QX Resources Limited (**ASX: QXR**, ‘**QX Resources**’ or ‘**the Company**’) is pleased to advise that following the commencement of its phase two trenching program at the Big Red and Red Dog prospects (EPM17703), assay results have confirmed further high-grade gold mineralisation.

The initiation of phase two trenching followed the Company’s decision to expand the Big Red and Red Dog program after intersecting multiple high-grade gold mineralisation from its maiden 370-metre trenching program (refer ASX announcement: 11 November 2021).

Due to unseasonable adverse weather conditions, the phase two program has been suspended until the end of the wet season after only completing an initial 40m of trenching. Despite the interruption, QX Resources has confirmed that the first trench hosts similar lithology to the maiden trench program, including quartz veining (*refer images 1 & 2*). Assay results have since verified that grades show the Red Dog prospect hosts gold mineralisation to the west of the main structure (*refer image 3*), with intersections including:

- 1m @ 11.25g/t Au within 11m @1.88g/t (from 22m to 31m along trench)
- 3m @ 2.0g/t Au within 8m @1.27g/t (from 3m to 11m) including 3m @ 2.02g/t and 1m @2.9 g/t

The location of the first trench (*refer image 4*) indicates the potential for a parallel line of mineralisation at the Red Dog prospect. The trench was excavated within the known Au in soil anomaly halo, with the location of the trench providing the possibility for the discovery of a new reef running parallel to the established reef.

Once the program has recommenced, an additional ten trenches will be excavated to further establish and explore mineralisation across the project. Based on the findings of the geological team, the program could be expanded again prior to the commencement of an extensive reverse circulation drilling campaign at Red Dog.

Comment

Non-Executive Director Roger Jackson commented: “*The results received from the second trenching program at Red Dog are very encouraging. Hampered by an out of season downpour we didn’t expect to receive much from this short trench, so these results are very interesting and exciting.*

“We predict that the mineralisation encountered may be a new reef running parallel to the system found during the initial trenching program in September 2021. Additional exploration work will need to be undertaken to fully understand the western system and if this system extends to the north up to Red Dog.

“The program at Big Red is running concurrently with our exploration work in both Queensland and Western Australia. We look forward to providing updates on further exploration initiatives as they materialise across the project suite.”

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Image 1: Operations at the first trench of the phase two trenching program



Image 2: Operations at the first trench of the phase two trenching program

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Depth From	Depth To	Sample ID	Lith 1	Lith 2	Weathering	Grainsize	Colour	VQZ%	FeO%	Au g/t
0	2.2		Soil		Ox	Fine	Brown			
2.2	3.2	1517A	Soil		Ox	Fine	Brown			0.03
3.2	4.2	1518A	Quartz breccia	Soil	Ox	Fine	Brown	80	60	0.48
4.2	5.2	1519A	Quartz breccia	Soil	Ox	Fine	Red	70	50	1.69
5.2	6.2	1520A	Quartz breccia	Soil	Ox	Fine	Red	70	40	1.89
6.2	6.7	1521A	Quartz breccia	Soil	Ox	Fine	Red	80	50	0.49
6.7	7.7	1522A	Kaolinite		Ox	Fine	White	5	5	0.03
7.7	13.4		Kaolinite	Soil	Ox	Fine	White			
13.4	14.4	1523A	Kaolinite	Soil	Ox	Fine	Brown			0.05
14.4	15.4	1524A	Quartz Breccia	Soil	Ox	Fine	Red	80	40	2.65
15.4	16.4	1525A	Quartz Breccia	Soil	Ox	Fine	Red	80	40	0.71
16.4	17.4	1526A	Quartz Breccia	Soil	Ox	Fine	Red	80	40	2.72
17.4	18.4	1527A	Quartz Breccia	Soil	Ox	Fine	Red	90	60	0.57
18.4	19.4	1528A	Quartz Breccia	Soil	Ox	Fine	Red	60	1	0.44
19.4	20.1	1529A	Kaolinite	Quartz Breccia	Ox	Fine	Red	5	20	0.07
20.1	21.1	1530A	Kaolinite		Ox	Fine	White	5	40	0.03
21.1	21.7	1531A	Kaolinite	Soil	Ox	Fine	White		30	0.03
21.7	22.5	1532A	Kaolinite		Ox	Fine	Brown		30	0.02
22.5	23.5	1533A	Quartz Breccia	Kaolinite	Ox	Fine	White	90	40	0.32
23.5	24.5	1536A	Quartz Breccia	Kaolinite	Ox	Fine	White	90	40	0.1
24.5	25	1534A	Quartz Breccia	Kaolinite	Ox	Fine	White	80	30	0.04
25	25.8	1535A	Kaolinite		Ox	Fine	White	5	40	0.48
25.8	26.5	1577A	Quartz Breccia	Kaolinite	Ox	Fine	White	90	30	0.18
26.5	27.1	1578A	Quartz Breccia	Kaolinite	Ox	Fine	Brown	80	30	11.25
27.1	28.1	1579A	Kaolinite		Ox	Fine	Brown	0	20	0.07
28.1	29.1	1580A	Kaolinite	Quartz Breccia	Ox	Fine	Brown	40	10	0.11
29.1	30.1	1581A	Quartz Breccia		Ox	Fine	Brown	60	10	0.39
30.1	31.1	1582A	Quartz Breccia		Ox	Fine	White	90	40	2.99
31.1	32.1	1583A	Quartz Breccia		Ox	Fine	White	80	40	0.49
32.1	33.1	1584A	Quartz Breccia		Ox	Fine	Brown	80	40	0.26
33.1	34.1	1585A	Quartz Breccia		Ox	Fine	White	80	40	1.32
34.1	35.1	1586A	Quartz Breccia		Ox	Fine	White	80	30	0.41
35.1	36.1	1587A	Quartz Breccia		Ox	Fine	White	80	30	1.39
36.1	37.1	1588A	Quartz Breccia		Ox	Fine	White	80	30	2
37.1	37.7	1589A	Kaolinite	Quartz Breccia	Ox	Fine	Grey	5	20	0.09
37.7	38.5	1590A	Kaolinite		Ox	Fine	Brown	1	20	0.11

Image 3: Phase two trenching assay results from west to east over 40m

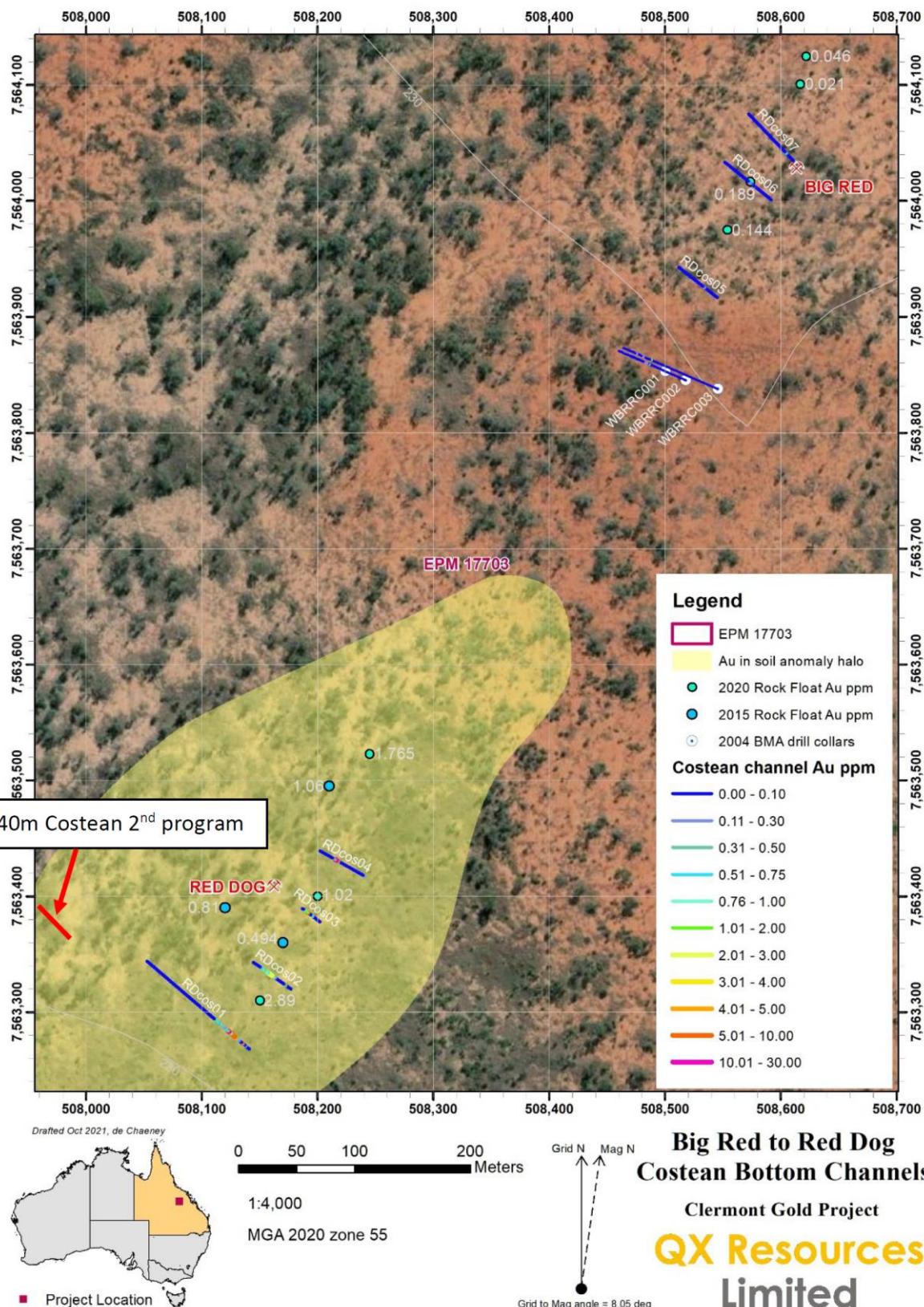


Image 4: Location of the first 40m trench excavated as part of the phase two program

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Table 1 Costean Surveyed Location

Costean information					
	Metre	Azi	Collar X	Collar Y	Collar Z
Start	0	292.8	507994	7563381	218
End	40				

Authorised by the Board of QX Resources Limited.

Further information:

Maurice Feilich, Executive Chairman: Ph: 0411 545 262

Ben Davies, Six Degrees Investor Relations: 0431 658 276 ben.davies@sdir.com.au

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 (FAusIMM) 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.

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Results stated in this report are based on rock chip sampling in costeans. Costean was excavated to approximately 2m depth and rock chip samples taken along base and walls at approximately 1m intervals. A geo pick was used to chisel out samples at 1m interval. No measures have yet been taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. However, the large size of each sample (approx. 2.5kg) and the density of sampling across the exposed trench ensures sample representivity.
Drilling techniques	<ul style="list-style-type: none"> N/A. No previous drilling reported in the announcement.
Drill sample recovery	<ul style="list-style-type: none"> N/A. No previous drilling reported in the announcement.
Logging	<ul style="list-style-type: none"> All samples were logged and recorded
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Field duplicates of rock chips were not taken however the sampling density was considered adequate to monitor sampling representativity. All submitted to ALS Townsville for crush, pulverisation and 50g fire assay Au with AAS finish
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> No geophysical data or handheld XRF instrument data is reported. Quality control procedures for rock chip sampling involves insertion of 1 certified reference material sample (standards) and 1 certified coarse blank for every 100 samples collected. This is considered acceptable levels for early stage exploration.
Verification of sampling and assaying	<ul style="list-style-type: none"> Significant rock chip results have not been independently verified. No twinned holes are reported. Field data is collected with a hand-held GPS and data collection software. It is imported directly into a database. No adjustments have been made to assay data.
Location of data points	<ul style="list-style-type: none"> Costeans were located using a hand-held Garmin GPS which has an accuracy of approximately 5m. The company is using MGA 94 zone 50 as a standard grid system. All topographic controls are currently by handheld GPS normally with a 5m error and visual. Samples were taken based on a steel measuring tape for the length of the costean
Data spacing and distribution	<ul style="list-style-type: none"> Rock chip samples were taken at 1m intervals along approximately 2m deep costeans, with continuous sampling of silicified areas. No sample compositing has been recorded and is not being reported.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Costeans were cut perpendicular to the perceived orientation of the mineralised zone. (refer to the costean location tables)
Sample security	<ul style="list-style-type: none"> Individual samples were collected in pre-numbered calico sample bags at the point of collection. Calico sample bags were then put into polyweave sacks and wired closed at the transport depot by QX geologists. The polyweave sacks are then driven to Townsville. Samples were split into two shipment batches for transport risk mitigation
Audits or reviews	<ul style="list-style-type: none"> No Audits or reviews were taken

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none">The tenement discussed in this report is held by Zamia Resources Pty Ltd which is 70% owned by QX Resources Ltd
Exploration done by other parties	<ul style="list-style-type: none">For EPM 17703 -The Apache epithermal Au discovered by Battle Mountain Australia Inc in 1988 (Cosstick1990), Big Red epithermal Au discovered by Twin Hills Operations Pty Ltd in 2004 (ELP 2008), the Pelican Creeka pathfinder only anomaly discovered by Normandy Exploration Limited in 1993 (Montes 1993) and localised further by ZRS in 2014 (Daven & Doman 2015), and the Kenai and Koda pathfinder only anomalies discovered by ZRS in 2014 (Daven & Doman 2015).
Geology	<ul style="list-style-type: none">EPM 17703 lies within the Anakie Province of the Thompson Orogen unconformably overlain by flanking Drummond Basin sequences. The Proterozoic to Cambrian Anakie Metamorphics outcrop through tertiary to quaternary alluvial and colluvial cover in the northeast corner of the EPM. The underlying lithology is Silver Hills Volcanics on the southwestern third of the tenement and Devonian granitoids intruded into basal Drummond sediments or Anakie Metamorphics on the north eastern two thirds (Henderson & Blake 2013; Withnall et. al. 1995).
Drill hole Information	<ul style="list-style-type: none">N/A. No drill hole information contained within the release
Data aggregation methods	<ul style="list-style-type: none">N/A. No drill hole information contained within the release
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">N/A. No drill hole information contained within the release
Diagrams	<ul style="list-style-type: none">Refer body of the text
Balanced reporting	<ul style="list-style-type: none">Reporting of results in this report is considered balanced.
Other substantive exploration data	<ul style="list-style-type: none">Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
Further work	<ul style="list-style-type: none">QX plans to undertake a shallow RC drill program at both Red dog and Lucky Break