

28 February 2022

## \$2.85M Placement to Cornerstone Investor Suzhou TA&A Ultra Clean Technology Co Ltd

- Firm commitment received from Suzhou TA&A Ultra Clean Technology Co Ltd to subscribe for 75,000,000 shares at \$0.038 per share
- Suzhou TA&A Ultra Clean Technology Co Ltd is listed on the Shenzhen Stock Exchange (SZSE: 300390) and has a market capitalization of ¥50.9 Billion (RMB) (A\$11.14bn)
- Suzhou TA&A Ultra Clean Technology Co Ltd is a 75% shareholder in lithium hydroxide producer Yibin Tianyi Lithium Industry Co Ltd ('Yibin Tianyi') together with China's largest EV battery manufacturer Contemporary Amperex Technology ('CATL') (SZSE: 300750)
- Suzhou TA&A Ultra Clean Technology Co Ltd and QXR have also executed a Binding Memorandum of Understanding (MOU) where the parties will work together on exploration and development, and potential offtake agreements for all of QXR's lithium-focused projects in Western Australia

QX Resources Limited (ASX: QXR, 'QX Resources' or 'the Company') is pleased to announce a transformational development with the Company securing a firm commitment from Suzhou TA&A Ultra Clean Technology Co Ltd (Suzhou TA&A) to subscribe for a placement of 75,000,000 new fully paid ordinary shares at \$0.038, raising \$2.85 million (Placement). The Placement shares will be issued under the Company's available LR7.1 and 7.1A placement capacities and is expected to complete on or around 11 March, 2022.

Suzhou TA&A is listed on the Shenzhen Stock Exchange under the ticker 300390 and holds considerable investments in the lithium sector. It is the largest investor (75% holding) in lithium hydroxide producer Yibin Tianyi, together with China's largest EV battery manufacturer CATL. Yibin Tianyi's objective is to become one of the largest lithium hydroxide producers in the world.

In conjunction with the share subscription, QXR and Suzhou TA&A have also executed a binding MOU, the material terms of which are:

- Completion of the Placement to Suzhou TA&A Ultra Clean Technology Co Ltd;
- The parties will negotiate a collaboration agreement in relation to the future exploration and exploitation of all of QXR's lithium exploration projects, being those that are granted and in the application stage, in Western Australia (anticipated to be within 3 months from signing); and
- QXR granting Suzhou TA&A with a first right of refusal on any future lithium offtake from QXR's lithium exploration projects.

The MOU contains terms otherwise customary for an agreement of this nature.

### Comment

**QX Chairman Maurice Feilich said:** "We are delighted to welcome Suzhou TA&A as a strategic partner and cornerstone investor in QXR. This is an excellent development for our company, a strong vote of confidence in our lithium exploration projects, and it brings an experienced and large lithium sector investor onto our register. As well, their desire to collaborate with us on project exploration, development and secure future offtake for any lithium we discover on our projects delivers huge value at multiple levels to QXR. We now have the added financial flexibility to fast-track and scale up exploration activities in Western Australia as well as continuing to invest in ongoing trenching and drilling of our Drummond Basin gold assets where we are achieving excellent results. We look forward to sharing with our shareholders exploration plans for both our lithium and gold projects for this calendar year very soon."

**Authorised by the Board of QX Resources Limited.**

**Further information:**

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**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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