

ASX ANNOUNCEMENT

Quarterly Activities Report for Period Ended 31 March 2022

29 April 2022

QX Resources Limited (ASX: QXR) (QX or the Company) is pleased to provide this Quarterly Activities Report for the period ended 31 March 2022.

HIGHLIGHTS

- Further expansion of Company's highly-prospective Pilbara lithium portfolio through the acquisition of the Yule River and Split Rock lithium projects
 - o QXR's package of granted tenements and those under application in the Pilbara region now covers 355km²
 - o Initial reconnaissance mapping and soil/rock chip sampling program recently undertaken at Western Shaw and Turner River
- Strategic placement of 75,000,000 shares at \$0.038 per share to Suzhou TA&A Ultra Clean Technology Co Ltd, raising \$2.85 million. Suzhou TA&A is listed on the Shenzhen Stock Exchange (SZSE: 300390)
- Significantly expanded the Drummond Basin precious and base metal footprint with granting of two highly prospective tenements
 - o QX's wholly owned subsidiary Skyfall Resources has been granted two exploration permits covering 626km² - Drummond Basin portfolio expanded ~300% to now cover an area totaling ~976km²
 - o Tenements offer QX exposure to a wide range of precious and base metals including gold, silver, molybdenum, copper, lead, zinc and cadmium
- Further high grade gold mineralisation encountered at the Red Dog prospect
 - o 1m @ 11.25g/t Au within 11m @1.88g/t (from 22m to 31m along trench)
 - o 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
 - o Interpreted strike length at Big Red is over 230m, and open along strike
- Company remains well-funded to undertake exploration across its highly prospective project portfolio, with cash of \$3.75m and liquid investments of ~\$558k at 31 March 2022.

OPERATIONS

Queensland Projects

Queensland Gold Project (70%, option to move to 90%)

On 1 July 2020 the Company announced that it had entered into Heads of Agreement (HoA) with in Zamia Resources Pty Ltd (**Zamia Resources**), a wholly-owned subsidiary of Zamia Metals Limited (**Zamia**) which owns four (4) exploration licenses (Permits) in the Central Queensland goldfields covering ~115km² and housing two open pit historical gold mines, the Belyando and Lucky Break Mines as well as multiple unexplored targets. The project is strategically located within the Drummond Basin that has >6.5moz gold endowment and a long history of ongoing mining (See **figure 1**).

QX Resources Limited

On 17 June 2021, the Company announced that it had reached 70% ownership of Zamia Resources. QX originally assumed 50% ownership of Zamia Resources through the issue of 40,000,000 ordinary shares and the next 20% was secured after spending \$500,000 on exploration and project development activities during the earn-in period. QX can move to 90% ownership of Zamia Resources by spending an additional \$1m on exploration and project development activities.

On 28 March 2022, it was announced that both parties agreed to extend the Stage 2 earn-in date providing QX Resources with an additional 12 months to meet the \$1m in exploration and development expenditure. The Company is considerably advancing its initiatives to meet this exploration expenditure, however issues outside of its control such as Covid and adverse weather negatively impacted exploration plans. The extension allows the Company a further year to hit the exploration and development expenditure and move to 90% ownership of Zamia Resources.

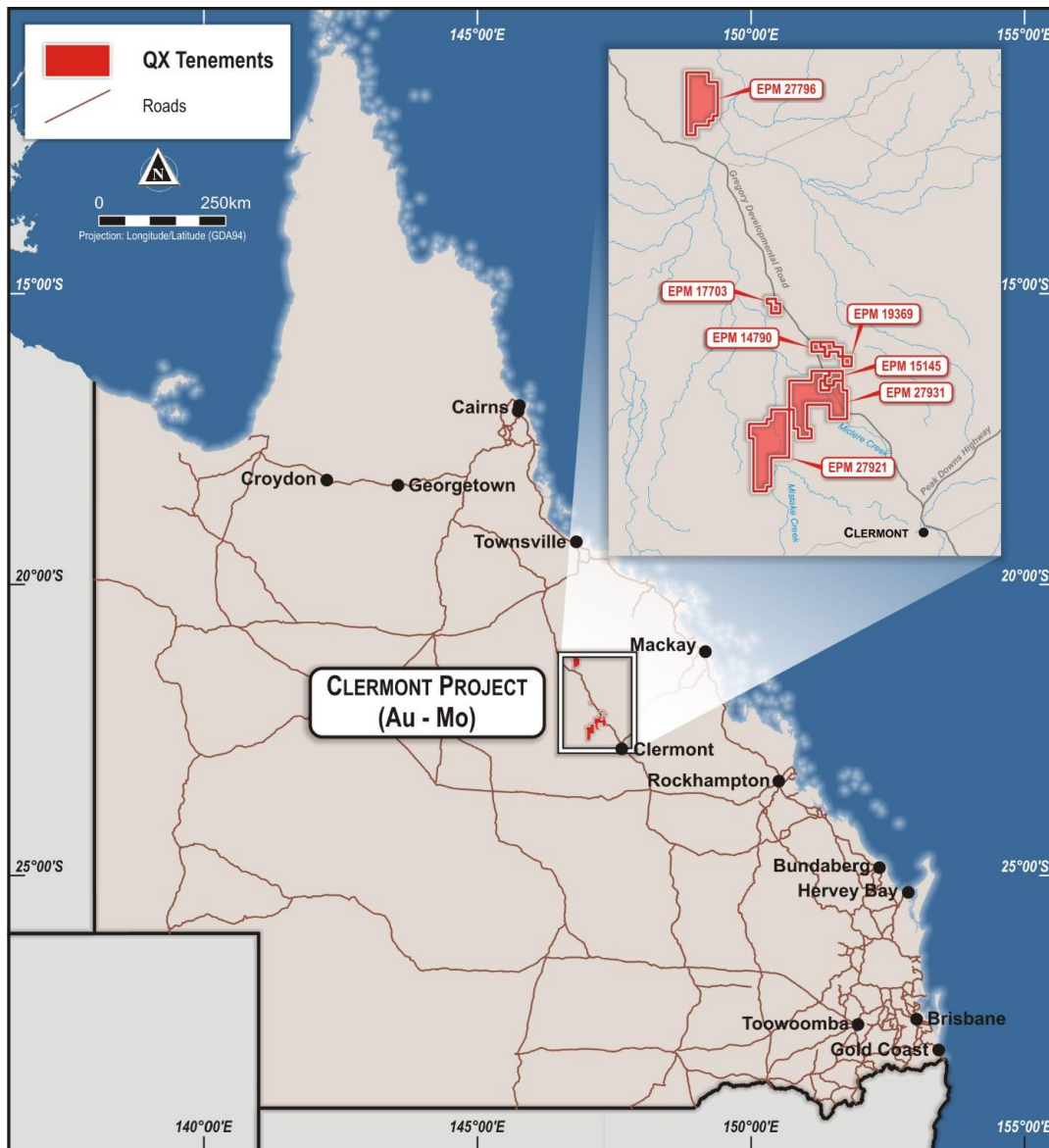


Figure 1: QX Project location map, Drummond Basin QLD

Trenching program, Red Dog and Lucky Break

On 16 February 2022, 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).

QX Resources has confirmed that the first trench hosts similar lithology to the maiden trench program, including quartz veining. 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

Anthony Molybdenum project

The advanced stage Anthony Molybdenum (Mo) deposit ('Anthony') sits within QX's 115km² of permits in Central Queensland. During the December 2021 quarter, the Company announced that various workstreams were underway at Anthony, including: Stage 1 metallurgical test work and the conversion of the historic JORC 2004 resource to 2012 classification. 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.

On 18 October 2021, the Company announced the results of an upgrade of the Mineral Resource Estimate (**MRE**) for the Anthony Molybdenum deposit. QX commissioned Geos Mining, Minerals Consultants, to update the MRE in accordance with the principles and guidelines of the JORC Code 2012, with emphasis on the near-surface oxidized part of the deposit.

Drummond Basin projects (100%)

On 6 April 2022, the Company announced that its wholly-owned subsidiary, Skyfall Resources Pty Ltd ('Skyfall'), secured two highly prospective tenements for precious and base metals, located in the Clermont Goldfields of central Queensland's Drummond Basin.

The two exploration permits (EPM 27931 and EPM 27921) deliver a significant extension to QX's existing tenements in the region, which includes the Lucky Break, Red Dog, Big Red, Belyando, Ibis and Anthony prospects (**Figure 2**). The two permits are considered highly prospective for gold, silver and base metals, including molybdenum, copper, lead, zinc and cadmium.

EPM 27931 – Miclere Creek

The Miclere Creek tenement is located approximately 60km north-west of Clermont and covers an area of 313km². Despite the sufficient lithological and geophysical indicators which represents a favourable structure and environment for mineralisation, the Miclere Creek permit area has seen limited historical exploration.

EPM 27921 – Mistake Creek

Covering an area of 313km², Mistake Creek is located 68km north-west of Clermont and is accessible via the Clermont Laglan Road. Similar to Miclere Creek, the permit area has seen limited historic exploration, with the latest work being undertaken by Zamia Resources from 2009-2010.

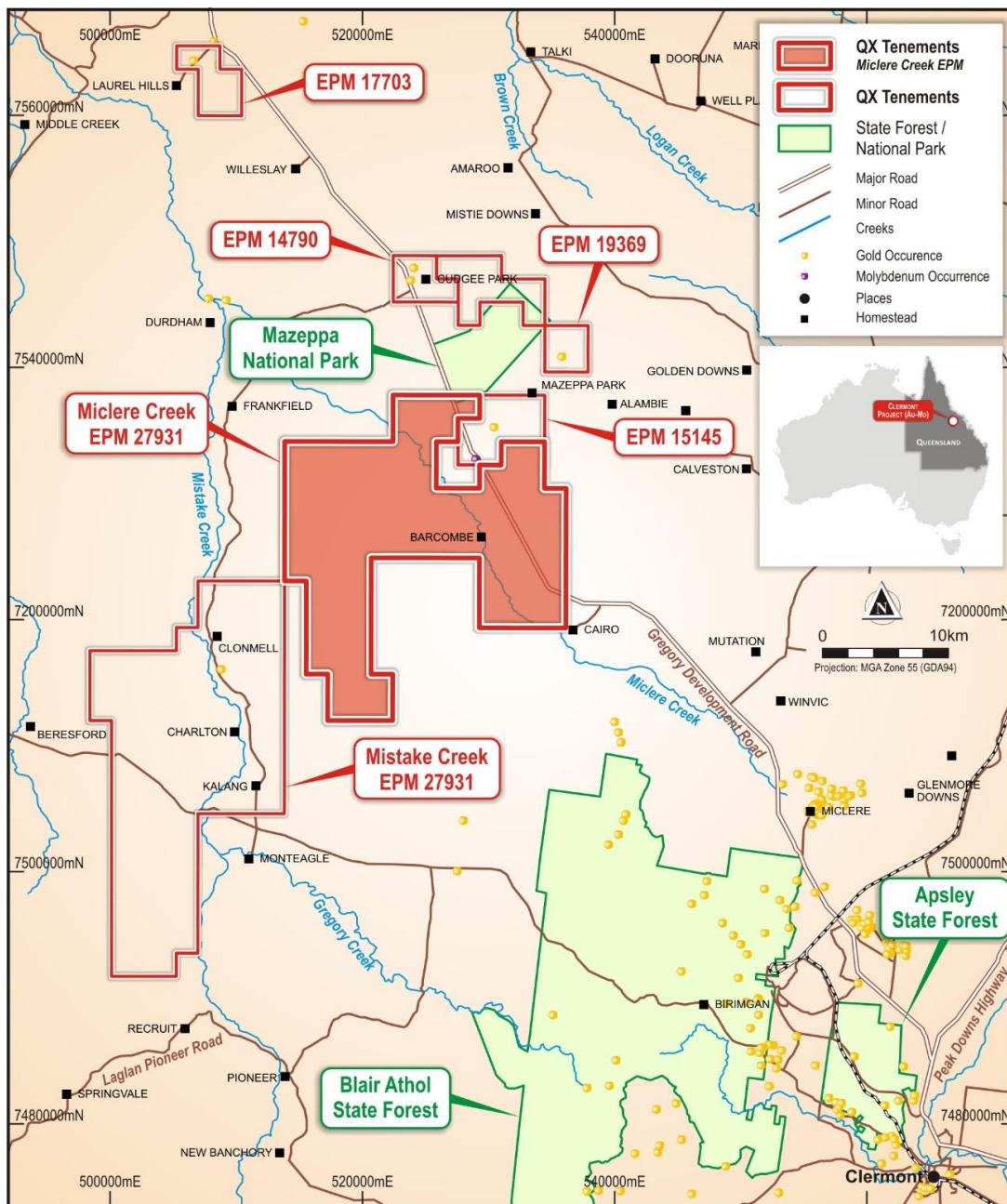


Figure 2: Miclere Creek and Mistake Creek area location

Western Australian Projects

Pilbara lithium projects

The Company has a highly prospective portfolio of lithium projects within the Pilbara region of Western Australia, covering a combined area of 355km² (Figure 3). The portfolio consists of Turner River (E45/6042 & E45/6065), Western Shaw (E45/4960 & E45/6107), Split Rock (E46/1367) and Yule River (E45/6159). Despite their location, the Company's 100%-owned projects are largely underexplored for lithium.

During the quarter, the Company acquired and interpreted remote satellite imagery and geophysical datasets which had identified numerous priority areas at Turner River, Western Shaw and Split Rock. On 12 April 2022, QX Resources advised that rock chip and soil sampling programs had commenced at Turner River and Western Shaw, focusing on priority target areas (Figures 4 & 5).

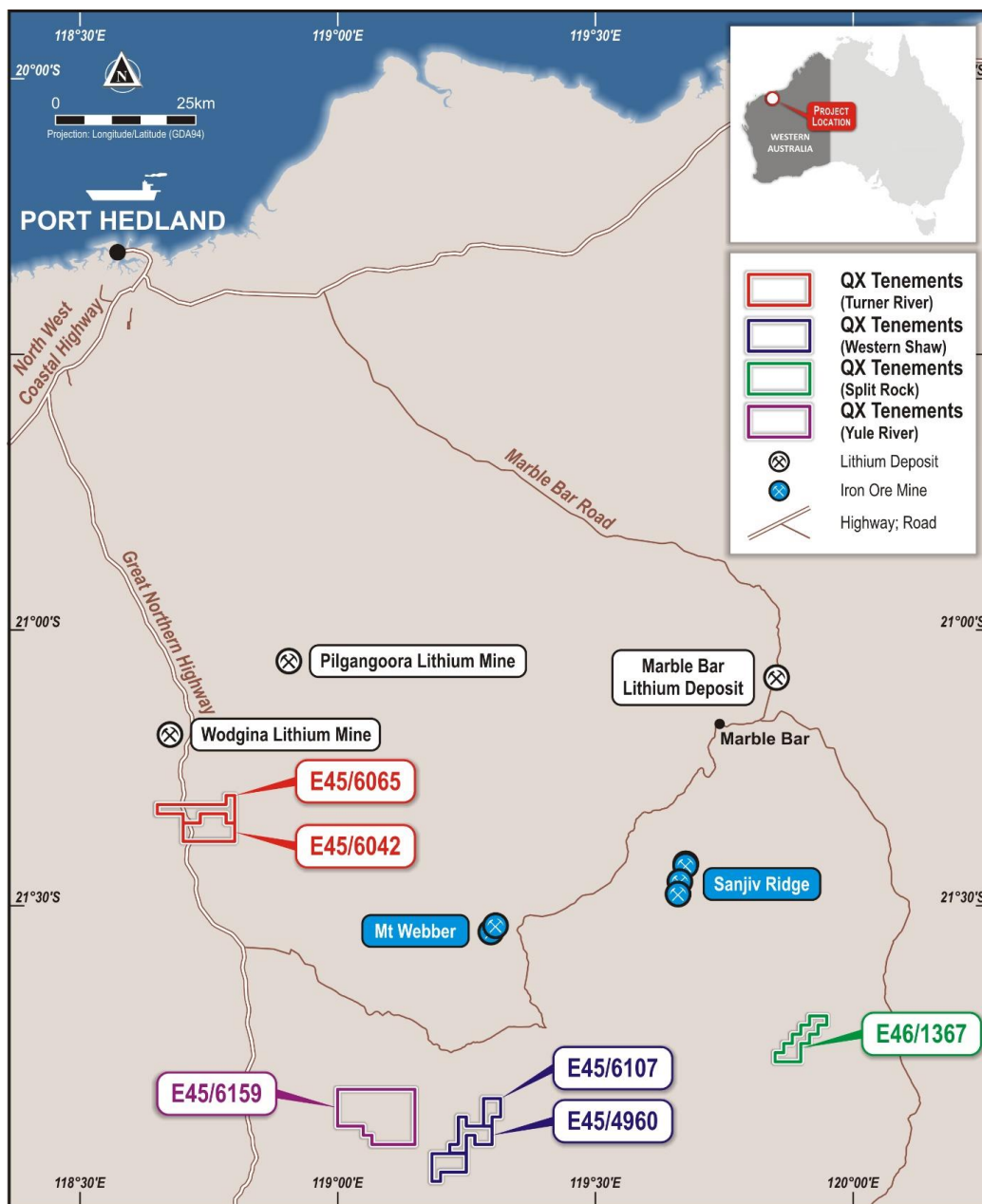


Figure 3: QX Resources lithium project locations and regional setting

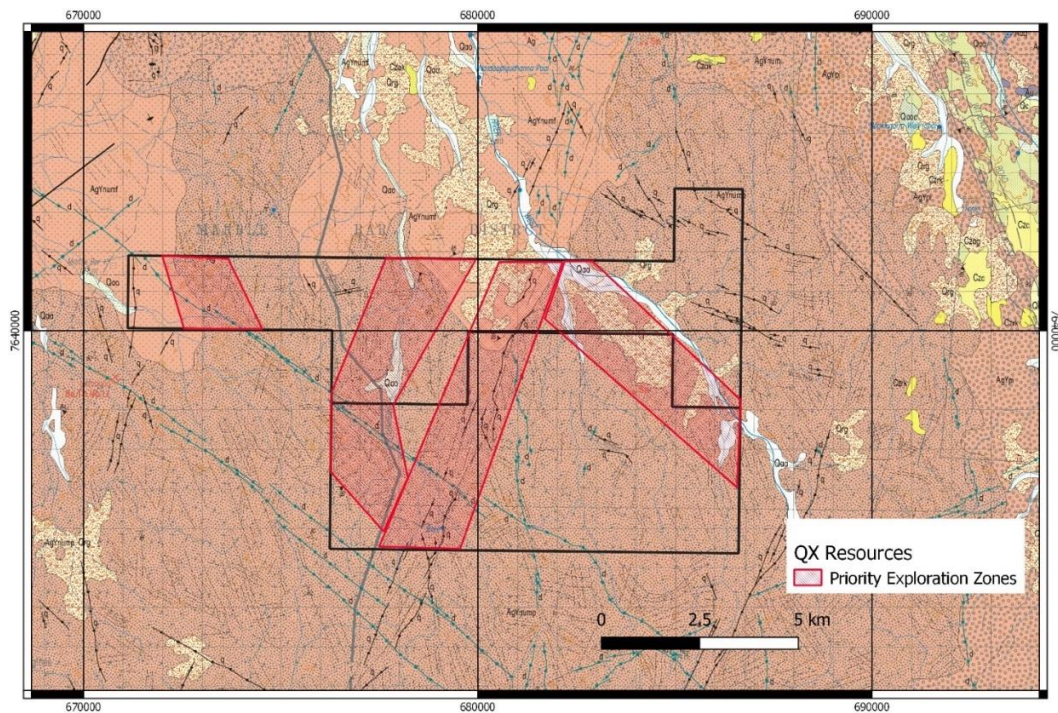


Figure 4: Turner River Priority Areas

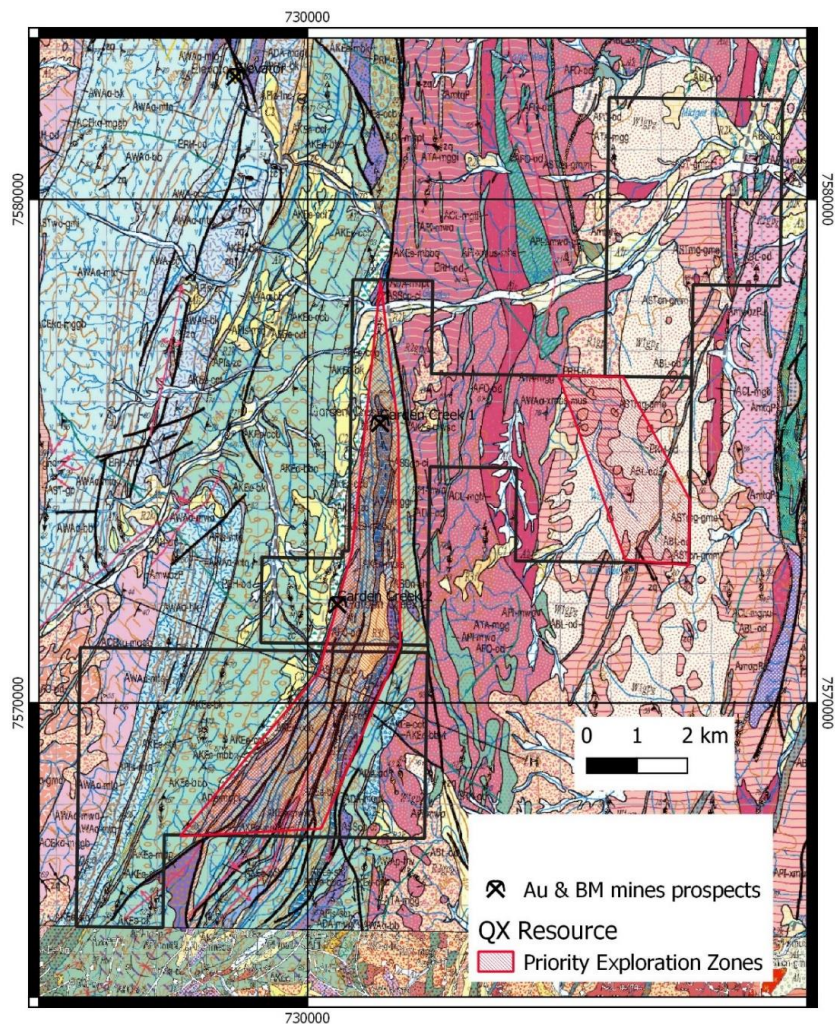


Figure 5: Western Shaw Priority Areas

Pilbara precious and base metals project

QX holds a 50% interest in two granted Exploration Licences (ELs) located in the Pilbara region of Western Australia ('the Pilbara Projects'). The ELs (E47/4462 and E47/4463) are considered prospective for gold and base metals, including nickel, and are located ~75km southeast of the regional centre of Karratha, in a region comprising significant mineral discoveries (Figure 6).

Gold: The areas where the ELs are located are both considered prospective for orogenic style gold mineralisation hosted by basalts and related differentiated volcanic rocks that are known to occur in the area. This geological setting is also considered prospective for "Novo" style sediment hosted gold in the sediments and sandstones of the Hardey Formation.

Nickel: Of equal interest is the nickel and base metal potential of the area due to the many mafic intrusions that are evident both locally and regionally. Although some of these intrusions have been targeted for nickel in the past there has been no concerted program undertaken to locate nickel sulphides in these intrusions and particularly within the Cooya Pooya type Intrusion.

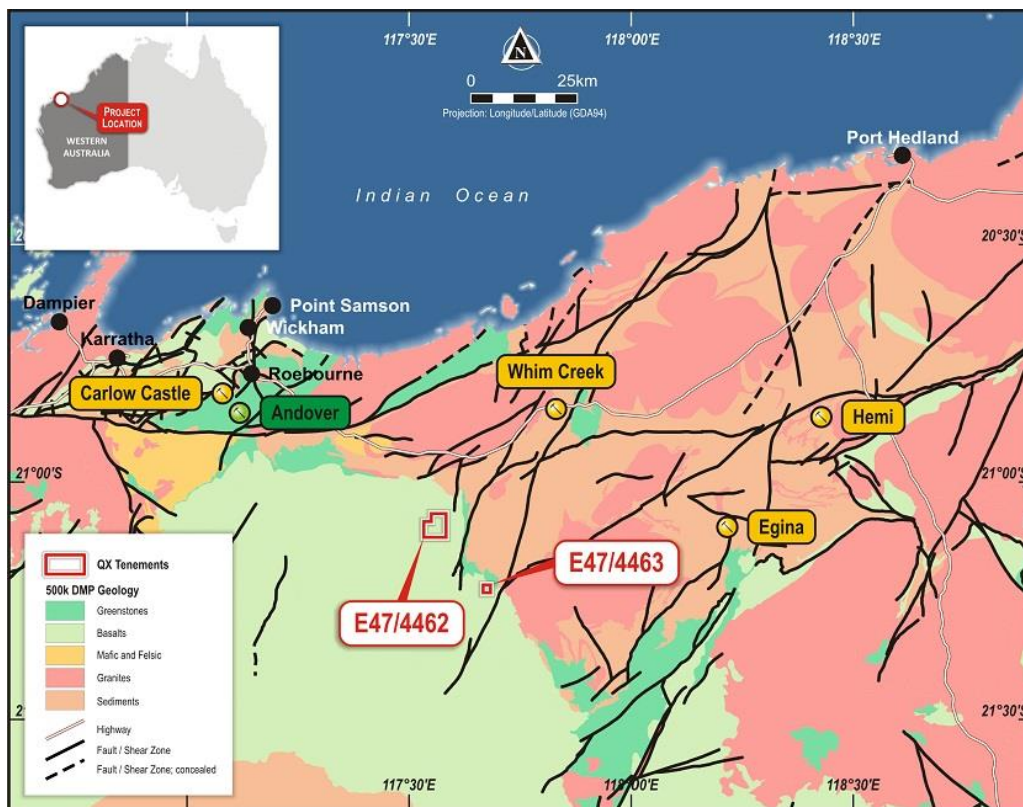


Figure 6: Pilbara precious and base metals tenement location and regional setting

CORPORATE

Strategic Placement

On 28 February 2022, the Company announced that it had raised \$2.85m through the issue of 75,000,000 shares at \$0.038 per share as part of a strategic placement to Suzhou TA&A Ultra Clean Technology Co Ltd. 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.

QX Resources Limited

Option Conversion

On 16 February 2022, the Company announced that it had issued 27,500,000 shares following the exercise of unlisted options at \$0.02 per share, raising \$550,000.

General Meeting

The Company held a General Meeting on 25 February 2022, with the resolution passing by way of a poll.

Cash position

The Company ended the March 2022 quarter with cash of \$3.75m and liquid investments of ~\$558k, and confirms that it is sufficiently funded for the coming two quarters which includes expenditure commitments for planned exploration activities in Central Queensland. QX continues to be diligent in managing corporate and administrative costs.

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was \$160,000 exploration expenditure incurred during the March 2022 quarter.

Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: during the March 2022 quarter \$68,000 was paid to directors and associates for director, consulting and company secretarial fees.

This announcement was approved for release by Dan Smith, on behalf of the Board.

-ENDS-

Further information, please contact:

Maurice Feilich, Executive Chairman: Ph: 0411 545 262

Ben Jarvis, Non-Executive Director: Ph: 0413 150 448

Web: www.qxresources.com.au

Forward Looking Statements

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's control.

Actual results and developments will almost certainly differ materially from those expressed or implied. QX 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 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.

Competent Person Statement

The information in this report that relates to the Anthony and the Lucky Break projects 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

QX Resources Limited

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.

In accordance with Listing Rule 5.3.3 QX Resources Limited (ASX Code: QXR) advises the details of the tenements held by the Company or its subsidiaries as at 31 March 2022.

Tenements	Acquired during the quarter	Disposed during the quarter	Held at end of quarter	Country / State
EPM 17703	-	-	70%, Option to earn 90%	Queensland
EPM 15145	-	-	70%, Option to earn 90%	Queensland
EPM 14790	-	-	70%, Option to earn 90%	Queensland
EPM 19369	-	-	70%, Option to earn 90%	Queensland
EPM 27791	-	-	100%	Queensland
EPM 27921	100%	-	100%	Queensland
EPM 27931	100%	-	100%	Queensland
ELA 45/6042	-	-	100%	Western Australia
ELA 45/6065	-	-	100%	Western Australia
E 45/6159	100%	-	100%	Western Australia
E 45/1367	100%	-	100%	Western Australia
E 45/6107	100%	-	100%	Western Australia
E 80/5417	-	-	50%	Western Australia
E 47/4462	-	-	50%	Western Australia
E 47/4463	-	-	50%	Western Australia

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

QX RESOURCES LTD

ABN

55 147 106 974

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(136)	(174)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(324)	(602)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(461)	(777)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(35)	(160)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	(99)	(266)
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	27	46
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities (Zamia Exploration Loan)	(24)	(273)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(131)	(653)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,850	2,850
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	613	613
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(23)	(25)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	3,440	3,438

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	902	1,742
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(461)	(777)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(131)	(653)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,440	3,438

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,750	3,750

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,750	902
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,750	902

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	6

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts at item 6.1 are in relation to director fees included in item 1.2.

Amounts at item 6.2 are in relation to consulting fees paid to directors included in item 2.3 as part of the loan to Zamia Resources to meet the company's expenditure commitment on Zamia's projects.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(461)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(461)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,750
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,750
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.13
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.