

17 May 2023

Letter of Intent for Large Scale Western USA Lithium Brine Project

- QXR has entered a Letter of Intent (LOI) over a large recently consolidated lithium brine project – Liberty Lithium - in the western USA.
- Liberty Lithium covers more than 10,000 Ha (25,000 acres) of contiguous leases in a closed basin with a similar appearance to well known lithium brine projects in Argentina/Chile. Sampling at the project has returned up to 200 mg/L lithium in brine at surface and defined an anomaly extending over 10km.
- The LOI provides QXR with a 75-day exclusivity period to undertake due diligence and negotiate terms for a potential acquisition of 75% of the project.
- The US Federal government and the California State government are actively supporting battery minerals development projects for the US battery supply chain.

QX Resources Limited (ASX: QXR, 'QXR') has entered a non-binding letter of intent (LOI) for the right to acquire a controlling interest in a large, recently-consolidated lithium brine project – Liberty Lithium - in California, USA.

The Liberty Lithium project area covers more than 10,000 Ha (25,000 acres) of recently consolidated contiguous leases which cover a closed basin just inside the Californian border from Nevada USA. It bears similarities to well-known lithium brine projects in Argentina/Chile. Surface brine samples have returned up to 215 mg/L lithium in brine at surface within an anomaly extending up to 10km long over 2500Ha. Geophysical analysis shows a large basin over 1,000 metres deep, with geothermal fluids along a faulted margin with elevated lithium brine results.

This LOI provides QXR with a 75-day exclusivity period to conduct technical and legal due diligence and negotiate terms and structuring of an option agreement to acquire 75% of the Project from a private US company. A fee of US\$50,000 will be paid for this exclusive LOI period, which would become a break fee if a transaction was not finalised.



Figure 1: Location map of Liberty Lithium area (Jackrabbit Flat Project)

QXR Managing Director, Stephen Promnitz, said: “QXR Management has undertaken a high-level review of the Liberty Lithium Project and considers it exciting, demanding detailed due diligence. A large enclosed deep basin with lithium brines in an arid area is a look-alike for South American brine projects. Projects like this could be amenable for direct lithium extraction (DLE) or evaporation for pre-concentration. End users are seeking battery raw materials supply from the continental USA and Liberty Lithium would be a great candidate. It’s an attractive project in the right jurisdiction, and comes with a skilled team on the ground to operate it. I look forward to progressing due diligence and working with the vendors on potential deal terms and structure.

Next steps will comprise detailed due diligence including an extensive data review, together with legal structuring of the project and ongoing site visits by the QXR management team.

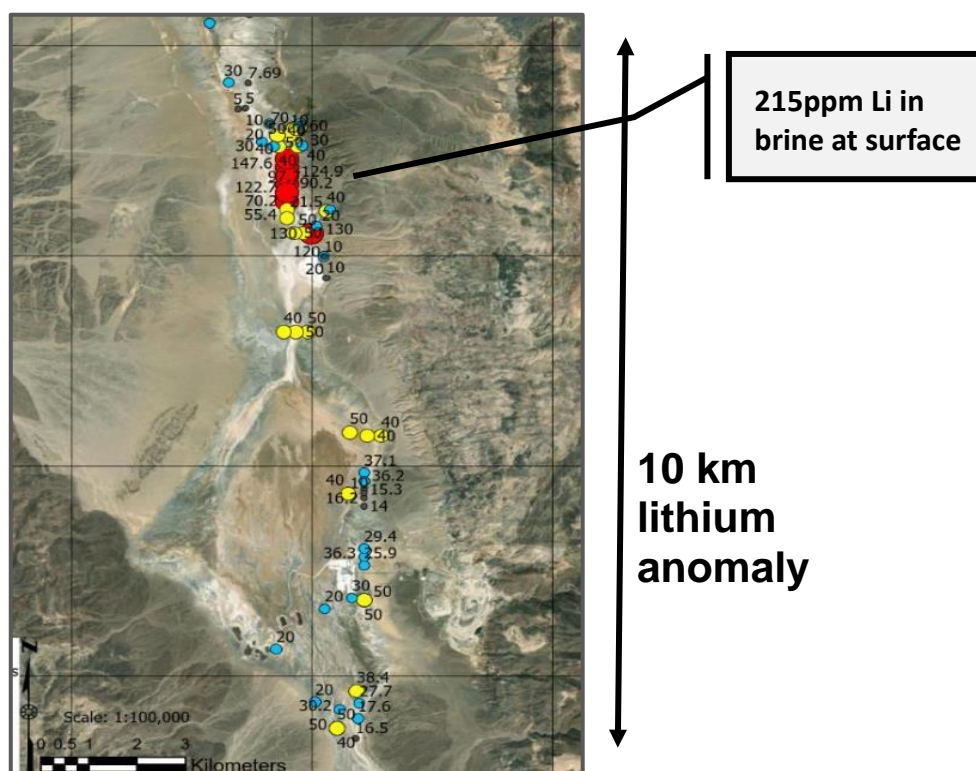


Figure 2: Location Map of Liberty Lithium with surface brine sample results (ppm lithium)



Figure 3: Jackrabbit Flat salt playa at Liberty Lithium

QX Resources Limited

Authorised by the Board of QX Resources Limited.

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About QX Resources:

QX Resources (ASX:QXR) is focused on exploration and development of battery minerals, with hard rock lithium assets in a prime location of Western Australia (WA), and gold assets in Queensland. The aim is to connect end users (battery, cathode and car makers) with QXR, an experienced explorer/developer of battery minerals, with an expanding mineral exploration project portfolio and solid financial support.

Lithium portfolio: QXR's lithium strategy is centred around WA's prolific Pilbara province, where it has acquired a controlling interest in four projects through targeted M&A – all of which sit in strategic proximity to some of Australia's largest lithium deposits and mines. Across the Pilbara, QXR's regional lithium tenement package (both granted or under application) now spans more than 350 km².

Gold portfolio: QXR is also developing two Central Queensland gold projects – Lucky Break and Belyando – through an earn-in agreement with Zamia Resources Pty Ltd. Both gold projects are strategically located within the Drummond Basin, a region that has a >6.5moz gold endowment.

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), Fellow of the Australian Institute of Geoscientists 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.

QX Resources Limited

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 1 - JORC Code, 2012 Edition – Table 1

Section 1 - Sampling Techniques and Data

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

Criteria	Commentary
<i>Sampling techniques</i>	<p>Historical exploration 2018-2023</p> <ul style="list-style-type: none"> • Brine samples have been collected or as hand auger samples from near surface up to 2m, collected in clean plastic bottles. • Brine samples were collected over an area of approximately 20km² at irregular intervals. • 2 shallow diamond drill holes were drilled with sampling techniques yet to be reviewed. Limited brine samples were collected in clean plastic bottles using a bailer process although in discussions these samples appear to have been contaminated by fresh water and not representative. • Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Drilling techniques</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • 2 shallow vertical diamond drill holes were drilled to test stratigraphy and some brine samples. Depths and diameters are being determined as part of a technical review
<i>Drill sample recovery</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Sampling recoveries were documented and are being determined as part of a technical review • As the brine samples were taken from brine bailed from the hole (and not from the drill core) they are largely independent of the quality (recovery) of the core samples.
<i>Logging</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • All holes were logged by qualified geologists at drilling site. • Only quantitative (spreadsheet) logging has been sighted • Some core photography has been sighted.
<i>Sub-sampling techniques and sample preparation</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Sample preparation records exist and are being reviewed together with QA/QC procedures.
<i>Quality of assay data and laboratory tests</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> • All of the surface brine samples and drillhole bailer samples were submitted to registered recognised laboratories. • Analytical methods are being determined as part of a technical review
<i>Verification of sampling and assaying</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Methods are being determined as part of a technical review
<i>Location of data points</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Coordinates for the drillholes have been recorded and will be provided as part of a technical review.
<i>Data spacing and distribution</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • 2 diamond drillholes have been conducted with data to be provided
<i>Orientation of data in relation</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> • Surface brine sampling covered most of the salt lake visible

Criteria	Commentary
<i>to geological structure</i>	Historical Drilling <ul style="list-style-type: none"> • 2 vertical drillholes
<i>Sample security</i>	Historical Exploration <ul style="list-style-type: none"> • Unknown.
<i>Audits or reviews</i>	Historical Exploration <ul style="list-style-type: none"> • Unknown at this stage. Under review

Section 2 - Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • The project is covered by approximately 2000 unpatented BLM claims over covering approximately 16,300 hectares (40,000 acres) of contiguous title. • Mineral tenement information is being reviewed as part of the due diligence process.
<i>Exploration done by other parties</i>	Historical Exploration 2018-2023 <ul style="list-style-type: none"> • The project was held by two companies whose work included surface and auger brine sampling, geophysics and 2 drillholes. • Sampling highlighted anomalous Lithium in auger brine samples up to 215ppm Li. • Geophysics included broad spaced gravity and magnetotellurics (MT) • Limited brine samples were collected in by a bailer process from drillhole and in discussions these samples appear to have been contaminated by fresh water and not representative. • Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Geology</i>	<ul style="list-style-type: none"> • The project appears to be an enclosed arid basin with sand, silt, clay and halite horizons accumulated in a salt lake setting from terrestrial sediments and evaporation of brines. • Brines within the salt lake are formed by solar concentration interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units. Geology was recorded at surface and in drillhole logs.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Data aggregation methods</i>	Unknown
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Brine mineralisation interpreted to be horizontally lying and drilling perpendicular to this.
<i>Diagrams</i>	<ul style="list-style-type: none"> • A diagram showing surface brine samples and auger brine samples is represented

Criteria	Commentary
	here with lithium analyses in mg/L (ppm) lithium.
<i>Balanced reporting</i>	<ul style="list-style-type: none">Further data will be released after a technical review and then determine reporting appropriate.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">Gravity and MT geophysics suggest a basin of at least 800m-1000m in depth filled with sediments and potentially zones with brine mineralisation, although these data are not represented here.Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Further work</i>	Technical due diligence is underway and therefore this section is incomplete and will be updated in future