

QXR Quarterly Activities Report for Period Ended 31 December 2023

31 January 2024

HIGHLIGHTS

Pilbara Lithium Projects

- Pegmatites in a new area of interest at Turner River have been sampled with assays up to 3.8% LiO₂, 3.4% LiO₂ and 1.3%Rb₂O in the heart of the Pilbara region of Western Australia which continues to reveal new discoveries.
- Detailed airborne geophysics over the Turner River Project has been completed and is being assessed by QXR's specialist consulting team. It will be merged with district scale geophysics and detailed spectral image analysis to better define mineralised extensions and new drilling targets.

Liberty Lithium Brine Project

- Diamond drillhole #1 has been completed and brine samples sent to the lab; results are anticipated in mid-February.
- Brines were intersected at shallower levels than expected at 49 metres and 329 metres.
- Diamond drillhole #2, located 4km south of the first hole, is centred over a significant geophysical target in magnetotellurics (MT) that infer a series of conductive brine bearing aquifers at depth. The hole has advanced significantly in January.

Corporate

- Cash balance of ~\$2 million plus liquid investments of ~\$169,000 at 31 December 2023.

OPERATIONS

Pilbara hard rock lithium projects - Western Australia

QXR holds four 100% owned hard-rock lithium projects, covering 355km², strategically centred around Western Australia's prolific Pilbara province, hosting some of Australia's largest lithium deposits (**Figure 1**). QXR projects are Turner River (E45/6042 & E45/6065), Western Shaw (E45/4960 & E45/6107), Split Rock (E46/1367) and Yule River (E45/6159).

During the quarter, the Company announced the results of the rock chip sampling and geological mapping program undertaken during the prior quarter. Further rockchip sample results were returned with up to 3.8% LiO₂ and 1.3% Rb₂O at Turner River (**Figure 2**). These new samples, taken from new areas of interest within Turner River, are located some ~250m from where the first samples were reported last year which include ~10kg 'wheelbarrow-sized' samples grading 4.9% LiO₂.

With an expanded zone of interest, QXR will reinforce its focus on Turner River with detailed trenching and sampling, once recently flown detailed airborne geophysics data over Turner River is assessed by QXR's specialist consulting team, to target new areas and to better define mineralised extensions under shallow cover to define new drilling targets.

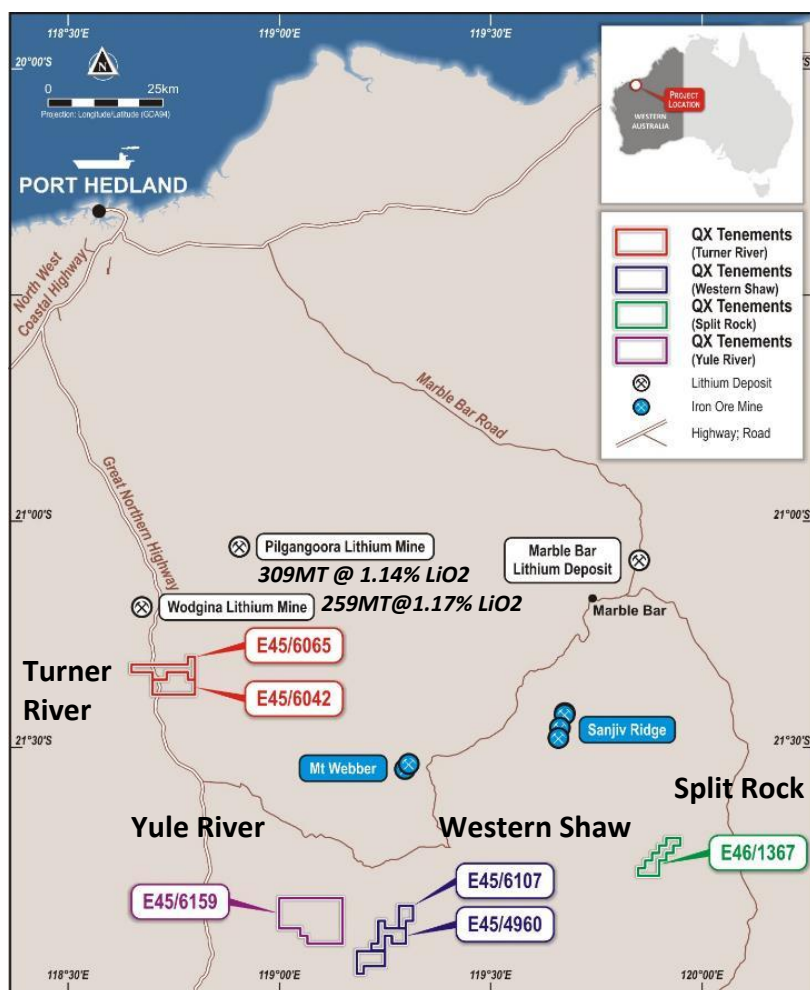


Figure 1: Location map of QXR's Pilbara Lithium Projects



Figure 2: Examples of samples with high lithium and REE assays at QXR's Turner River, Pilbara.
(Photo of sample collected in same location as 23QXRX-017 with 3.4% LiO2, with 50% mica, 30% feldspar, 20% quartz.)

Liberty Lithium Brine Project

The Company entered an Option to Purchase Agreement and an Operating Agreement (**Agreements**) to earn a 75% interest of the 102km² Liberty Lithium brine project in California, USA (Project), from vendor IG Lithium LLC (**IGL**) (*ASX announcement 5 October 2023*).

The Liberty Lithium Brine Project, located in SaltFire Flat, California, is made up of 1,265 contiguous claims over 102km² (25,300 acres), being one of the largest single lithium brine projects in the USA (for scale, equivalent to 2x area of Sydney Harbour or half the size of San Francisco city). An extensive lithium brine surface anomaly with elevated lithium results up to 215mg/L Li extends over 10km (*ASX announcement 26 July 2023*). Geophysical analysis shows a large basin over 1,000 metres deep and indicating brine aquifer targets at depth. The Project's geological setting mirrors Albemarle's nearby producing Silver Peak lithium brine deposit in Clayton Valley USA ¹ and major Argentina brine projects.

The first vertical diamond drill hole has been completed at 369 metres depth. The target horizons were intersected at 49m depth and 329m depth[†]. Large brine volumes (>20,000 litres) were pumped into containers. Samples were sent to the lab with results expected in mid-February. Fine grained sediments, gravels and coarse alluvial fan material were intersected down the length of the hole.

The second vertical diamond drill hole is located 4km to the south and is centred over a significant MT geophysical target that has been interpreted as suggesting a series of conductive brine bearing aquifers at depth. Drilling of the second drill hole has advanced significantly in January. Both holes are positioned within an extensive lithium brine surface anomaly of over 10km defined in auger samples (*see figure 4 below*).



Figure 3: Location map of Liberty Lithium area (SaltFire Flat Project)



Figure 4: The drill rig on the first drill hole at the Liberty Lithium Brine Project

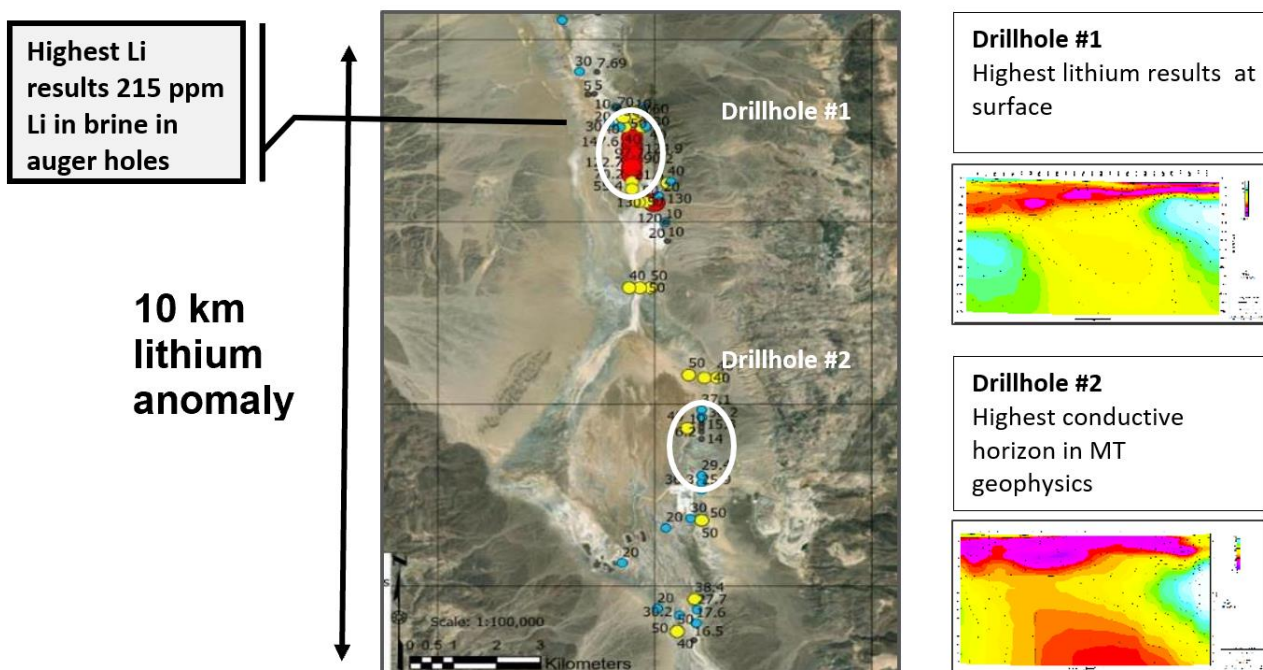


Figure 5: Location Map - Liberty Lithium with surface brine sample results (ppm Li) and geophysics profiles (MT) showing conductive horizons permissible for brine filled aquifers and drilling platforms

Gold Projects – Queensland

Gold Project -Queensland (70%)

QX Resources holds gold project areas strategically located within the Drummond Basin that has >6.5moz gold endowment and a long history of ongoing mining (**Figure 5**). The Company holds a 70% equity interest in four



(4) exploration licenses in the Central Queensland goldfields covering ~115km² that includes two historical open pit gold mines, the Belyando and Lucky Break Mines as well as multiple unexplored targets. The projects are part of an agreement with Zamia Resources Pty Ltd, a wholly-owned subsidiary of Zamia Metals Limited.

Red Dog, Disney and Lucky Break Projects

A previous trenching program was completed at the Big Red and Red Dog gold prospects with significant gold mineralisation reported. A reverse circulation drilling campaign is planned across the prospects.

No ground exploration was undertaken at the projects during the quarter.

Copper-Gold-Molybdenum Projects – Queensland (100%)

Two exploration permits (EPM 27931 and EPM 27921) are highly prospective for copper, gold, and molybdenum, and provide a significant extension to existing tenements in the Clermont goldfields in Queensland. Covering an area of 313km², Mistake Creek is located 68km north-west of Clermont. A large geophysical target (magnetics, IP) appears promising to replicate previous success at the Anthony molybdenum deposit and potentially located copper-gold mineralisation. The area has seen limited exploration historically with previous drilling only intersecting part of a much larger target. The Miclere Creek tenement is located approximately 60km north-west of Clermont and covers an area of 313km² and extends the area around the Anthony Moly Project.

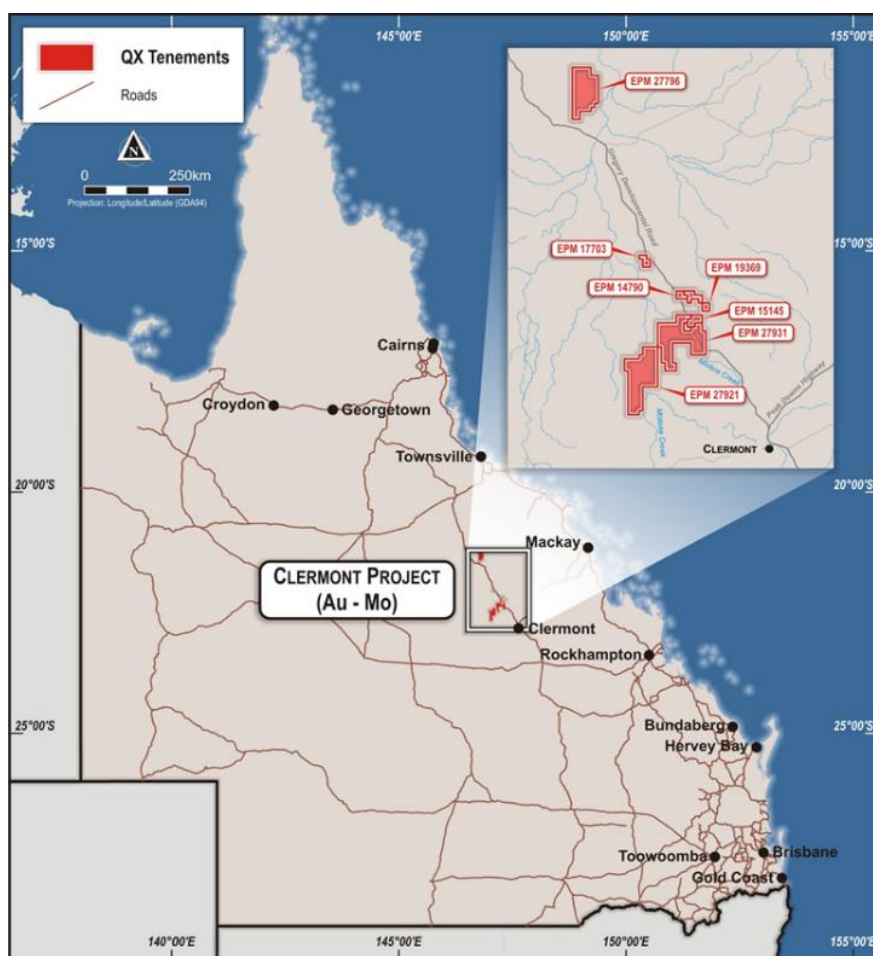


Figure 5: QXR Gold Project- Queensland- location map, Drummond Basin QLD

Anthony Molybdenum Deposit - Qld

The 'Anthony' Molybdenum (Mo) project, in Central Queensland, is an advanced-stage pure Mo deposit, adjacent to major sealed roads and near rail and energy support. The project has a JORC-2012 compliant Indicated and Inferred Mineral Resource estimate of 24,700 tonnes (53.7 million pounds) of contained molybdenum in sulphide, transition (partial oxide) and oxide zones from surface. The application will include an appraisal of several open pit mining and processing scenarios.

No on ground exploration was undertaken at the projects during the quarter.

Bayrock Resources Limited Investment

On 16 March 2023, the Company announced that it had entered into a framework agreement with Bayrock Resources Limited (**Bayrock**) to assist Bayrock with financing and development of its Projects, being the Lainejaur and Northern Nickel Line projects in northern Sweden (**Figure 6**) (ASX announcement 16 & 22 March 2023). QX Resources acted as underwriter to Bayrock's capital raising in 2023, and following the conversion of QXR-provided secured loans and fees, QXR now holds a significant ~39% of Bayrock's issued capital. Bayrock is led by an experienced management team with a strong track record of exploration success as well as particular expertise the development of sulphide nickel-cobalt deposits.

Lainejaur

The Lainejaur nickel-copper-cobalt project is a 41km² license over a historical underground nickel mine which produced ~100kt at 2.2% Ni in the rich Skellefteå Mineral Belt. In 2018, Carnaby Resources Limited (ASX: CNB) estimated a Mineral Resource Estimate in compliance with the JORC Code standards of 460Kt @ 2.2% Ni, 0.7% Cu, 0.15% Co, 0.68g/t Pd, 0.2g/t Pt and 0.65g/t Au ¹.

Bayrock drilled a new diamond drillhole in the first half of 2023. High grade diamond drill results include 4.7m at 2.0% Ni, 1.6% Cu and 0.1% Co from 283m downhole, within a mineralised section of 22m downhole.

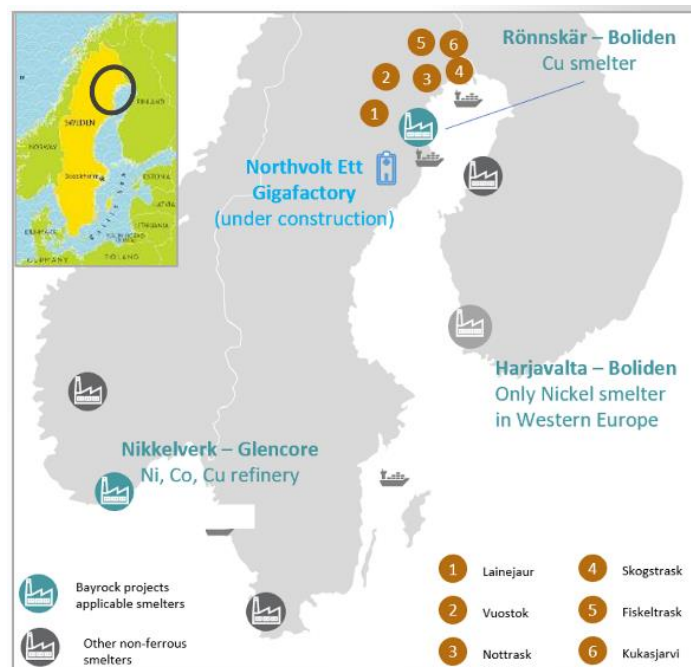


Figure 6: Map of the Bayrock battery mineral projects, including Lainejaur

Vuostok

The Vuostok project is located about 60km northwest of the Lainejaur Project (refer Figure 6) and is part of the Northern Nickel Line projects - five exploration permits over 340km² of favourable for nickel-copper-cobalt in Northern Sweden.

At Vuostok, high-grade nickel and copper sulphides were previously intersected 70 years ago in a flat-lying deposit of near-surface sulphides (within 20m of surface). Massive Ni-Cu sulphides (average grade of 2.3% Ni and 0.6% Cu (including up to 3.7% Ni), between 0.3 and 3.9 meters thick, are covered by a thin veneer of glacial sediments (see ASX announcement 4 July 2023 and 20 September 2023).

Highly encouraging nickel-copper grades returned from near surface in eight diamond drill holes including 6.9m @ 1.2% Ni and, 2.2% Cu from 5 metres downhole and in another drillhole 6.2m of @ 1.2% Ni and 0.3% Cu, from 11m downhole. The Ni-Cu sulphide mineralisation was intercepted in drill holes at the Storbodsund Prospect, within Bayrock's 100% owned Vuostok Nickel-Copper Project in northern Sweden. Best results incl:

VUO23011 : **6.2m @ 1.2% Ni, 2.2% Cu, 0.04% Co** from 11m down hole
including **2.38m @ 1.3% Ni, 5.32% Cu and 0.01% Co** from 14.15m down hole

VUO23013 : **6.9m @ 1.2% Ni, 0.3% Cu, 0.05% Co** from 5.1m down hole
including **0.4m @ 3.9% Ni, 0.3% Cu, 0.11% Co** from 6.85m down hole

New drill results indicate near-surface massive Ni-Cu sulphides between 0.3 and 6 meters thick, less than 18 metres from surface and beneath a thin cover of glacial sediments.

CORPORATE

Cash position

The Company ended the December 2023 quarter with cash of ~\$2 million and liquid investments of \$169,000, and confirms that it is sufficiently funded for the coming two quarters.

Placement

On 10 October 2023 the Company announced that it had received firm commitments for a placement of ~A\$3.093 million (before costs) through the issue of 140,577,273 new ordinary shares at an offer price of \$0.022 per share to professional and sophisticated investors ("Placement"). The Placement subsequently increased to ~\$3.5 million (before costs), including participation by directors following Shareholder approval.

Annual General Meeting

The Company's 2023 Annual General Meeting was held 29 November, 2023. All resolutions put to the meeting were passed by poll.

Director Resignation

On 27 October 2023, the Company advised of the resignation of Benjamin Jarvis as a director of the Company.

Change of Auditor

On 15 December 2023, the Company announced Moore Australia Audit (WA) had been appointed as the Company's auditor with effect from 14 December 2023. The appointment followed the resignation of RSM Australia Pty Ltd and ASIC's consent to same.

Change of Registered Address

On 14 December 2023, the Company advised of the change of its Registered Office and Principal Place of Business.

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was \$126,000 exploration expenditure incurred during the December 2023 quarter.

Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: during the December 2023 quarter \$64,000 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:

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Maurice Feilich, Executive Chairman: 0411 545 262

Sam Jacobs, Six Degrees Investor Relations: 0423 755 909



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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 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 December 2023.

Tenements	Acquired during the quarter	Disposed during the quarter	Held at end of quarter	Country / State
EPM 17703	-	-	70%	Queensland
EPM 15145	-	-	70%	Queensland
EPM 14790	-	-	70%	Queensland
EPM 19369	-	-	70%	Queensland
EPM 27791	-	-	100%	Queensland
EPM 27921	-	-	100%	Queensland
EPM 27931	-	-	100%	Queensland



QX Resources

QXR - The X Factor in Battery Minerals Supply

E 45/6042	-	-	100%	Western Australia
E 45/6065	-	-	100%	Western Australia
E 45/6159	-	-	100%	Western Australia
E 45/1367	-	-	100%	Western Australia
E 45/6107	-	-	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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(126)	(248)
(b) development	-	-
(c) production	-	-
(d) staff costs	(50)	(100)
(e) administration and corporate costs	(308)	(469)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
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	(483)	(816)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	(1,374)	(2,165)
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(1)	(16)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,375)	(2,181)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	3,332	3,332
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(149)	(149)
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	3,183	3,183

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	686	1,825
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(483)	(816)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,375)	(2,181)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,183	3,183

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,011	2,011

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	2,011	686
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)	2,011	686

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	64
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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)	(483)
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)	(483)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,011
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,011
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.16
<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: 31 January 2024

Authorised by: Board of directors of QX Resources Limited
(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.