

QXR Quarterly Activities Report for Period Ended 31 March 2024

29 April 2024

HIGHLIGHTS

Liberty Lithium Brine Project, USA

- Two diamond drillholes were completed with numerous brine aquifers intersected in drillhole #2 and a similar geological sequence to Albemarle's nearby producing Silver Peak lithium brine deposit in Clayton Valley USA.
- Detailed downhole geophysics and packer sampling are being analysed by brine specialists.
- QXR entered into a Letter of Intent with Stardust Power Inc., a development stage American manufacturer of battery-grade lithium products, to assess the Liberty Lithium brines.

Pilbara Iron Ore Project

- Encouraging Iron Ore Samples with up to 58.5% Fe in rockchip samples were returned from over 4km of a Banded Iron Formation (BIF) at Western Shaw, together with a comprehensive review of prior exploration.

Gold Projects – Queensland

- QX Resources holds gold project areas within the Drummond Basin that include two historical open pit gold mines. A detailed review is underway due to the success of a previous trenching program (Big Red and Red Dog) and significant anomalies nearby.

OPERATIONS

Liberty Lithium Brine Project, USA

The Liberty Lithium Brine Project, located in SaltFire Flat, California, covers contiguous claims over 102km² (25,300 acres), being one of the largest single lithium brine projects in the USA (**Figure 1**). The Company entered an Option to Purchase Agreement and an Operating Agreement to earn a 75% interest in the large scale Liberty Lithium brine project in California, USA, from vendor IG Lithium LLC (*ASX announcement 5 October 2023*). 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.

Two vertical diamond drill holes were completed (369m & 443 metres depth), spaced 4km apart (**Figure 2,3**). Holes were centred over an extensive lithium brine surface anomaly and significant MT geophysical target, interpreted as a series of conductive brine bearing aquifers at depth. Brine horizons were intersected in both holes with numerous brine aquifers intersected in drillhole #2 (*ASX announcement 8 Feb 2024*).

Fine grained lake sediments with sandy layers were common from the top of hole underlain by gravels, conglomerates and coarse alluvial fan material. The geology intersected is similar in profile to the producing sequences of Clayton Valley NV, where Albemarle's producing lithium brine deposit is located.

Detailed downhole geophysics and brine sampling was conducted with specific aquifers sampled using packer sampling. The intervals were determined from the downhole geophysical and geological logs.



Results are being analysed by external lithium brine specialists (technical consultants) to produce interpretations to guide future work, based on initial unverified draft results from the laboratory in relation to a number of samples. QXR is awaiting a detailed analysis. Increased salinity at depth with porous horizons is considered encouraging. Bulk volumes of brine will be submitted for testwork with various direct lithium extraction (DLE) providers (ASX announcement 25 Oct 2023, 29 Feb 2024).

¹ https://www.pureenergyminerals.com/wp-content/uploads/2018/04/PureEnergy_ClaytonValleyPEA_Rev1_23March2018.pdf

QXR entered into a Letter of Intent with Stardust Power Inc., a development stage American manufacturer of battery-grade lithium products, to assess the lithium brines from the Liberty Lithium Brine Project. The parties intend to evaluate options to potentially supply Stardust Power with lithium brine products, dependent on results, on a non-exclusive basis for processing into battery-grade lithium materials for electric vehicles.



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



Figure 2: The drill rig on the first drill hole as seen from the second hole site at the Liberty Lithium Brine Project

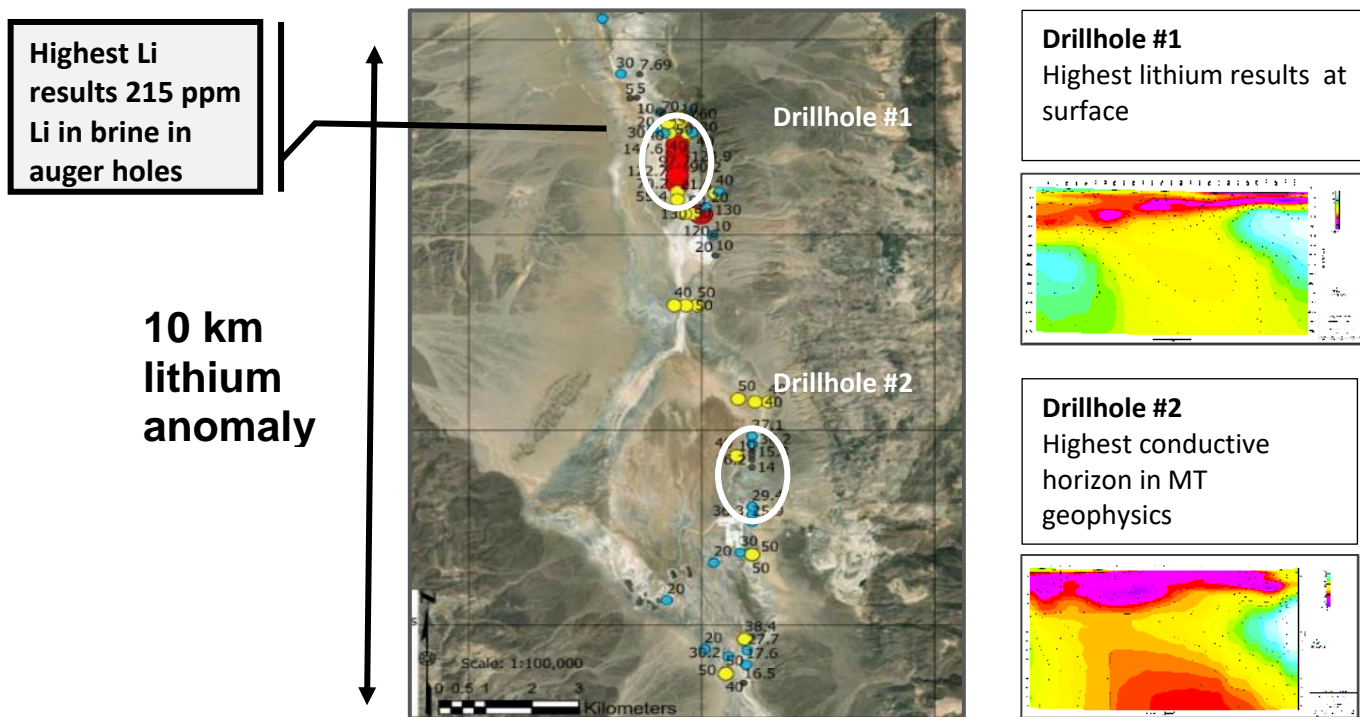


Figure 3: Location Map - Liberty Lithium with surface brine sample results (ppm Li) and geophysics profiles (MT) showing conductive horizons permissible for brine filled aquifers and drilling platforms (ASX announcement 26 July 2023, 8 Feb 2024).

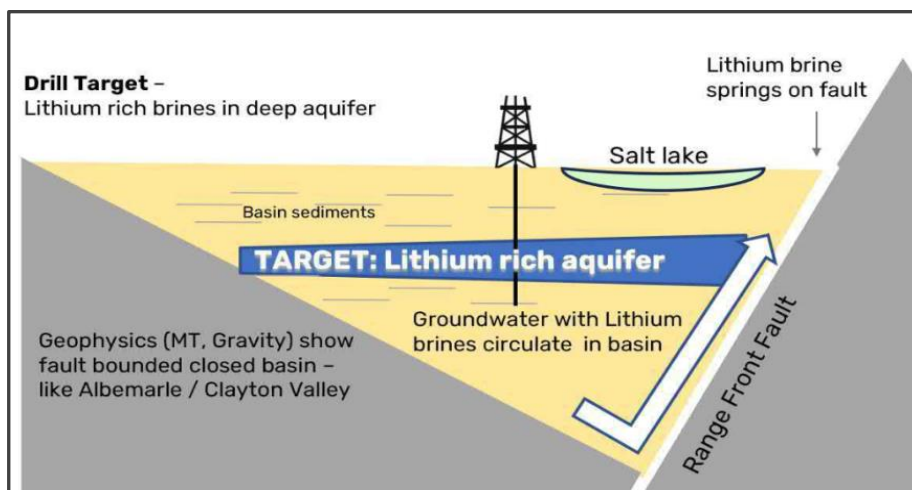


Figure 4: Stylised Target Aquifer in modelled cross section of basin - Liberty Lithium Project (ASX announcement 8 Feb 2024).

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 5**). QXR projects are Turner River (E45/6042 & E45/6065), Western Shaw (E45/4960 & E45/6107), Split Rock (E46/1367) and Yule River (E45/6159).

Rockchip sample results were returned with up to 3.8% LiO₂ and 1.3% Rb₂O at Turner River during the December quarter (**Figure 5**). These were taken from new areas of interest within Turner River. Detailed trenching and sampling is planned to target new areas and to better define mineralised extensions under shallow cover, together with an interpretation of recently flown detailed airborne.

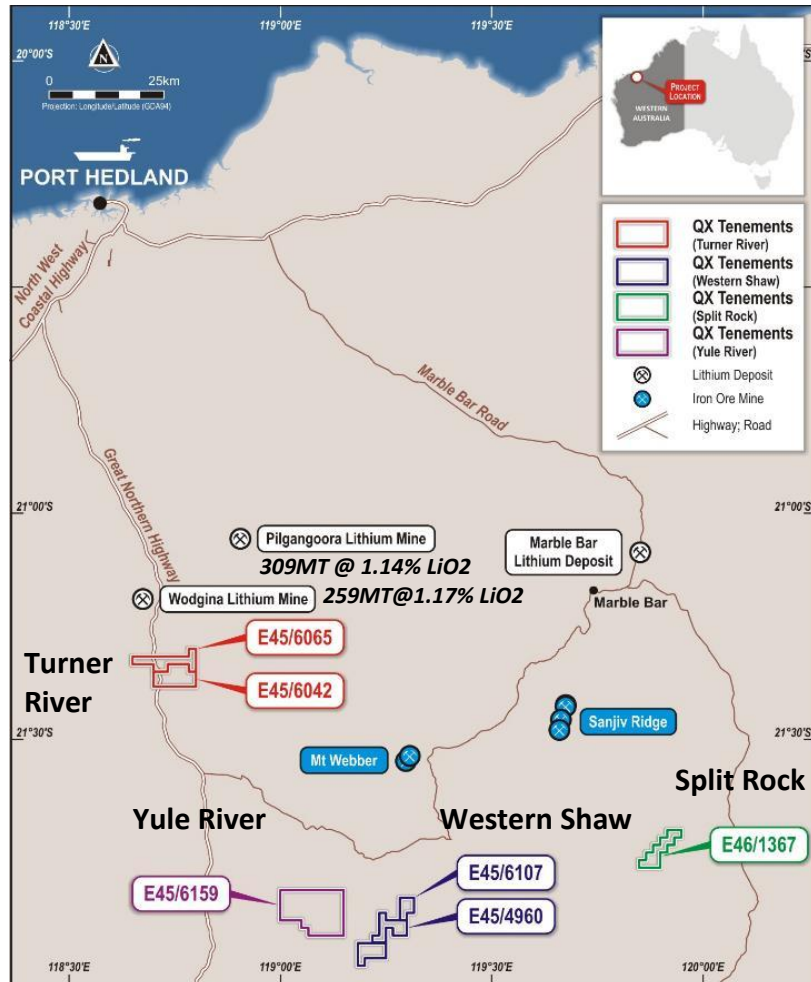


Figure 5: Location map of QXR's Pilbara Lithium Projects

Pilbara Iron Ore Project - Western Australia

Encouraging iron ore rockchip samples with up to 58.5% Fe were returned from over 4km of a Banded Iron Formation (BIF) at Western Shaw, that will lead to a detailed sampling program, following a comprehensive review of prior exploration. Potential exists for enriched surface iron ore over BIF sequences. (ASX announcement 20 Feb 2024).

A BIF with chert horizons was sampled over 4.4km but extends over 8km within the Western Shaw leases (E45/6107, E45/4960), with southern extensions held by the FMG group and Rio Tinto (E45/5589, E45/6326). QXR has undertaken a comprehensive review of prior exploration over Western Shaw with the iron ore potential only having been recently assessed as the area had been targeted for pegmatites by QXR. The Pilbara has been an exploration target for enriched iron ore as DSO (Direct Shipping Ore).

A new sampling program of 250m spaced rockchip traverses over the outcropping BIF sequence is planned over the full 8km outcrops in the coming quarter, followed by costeans to better identify drilling targets.



Previous work had been conducted by Atlas Iron over 15 years ago with rockchip results up to 62.3%Fe. However recent sampling indicates further untested potential to the south.

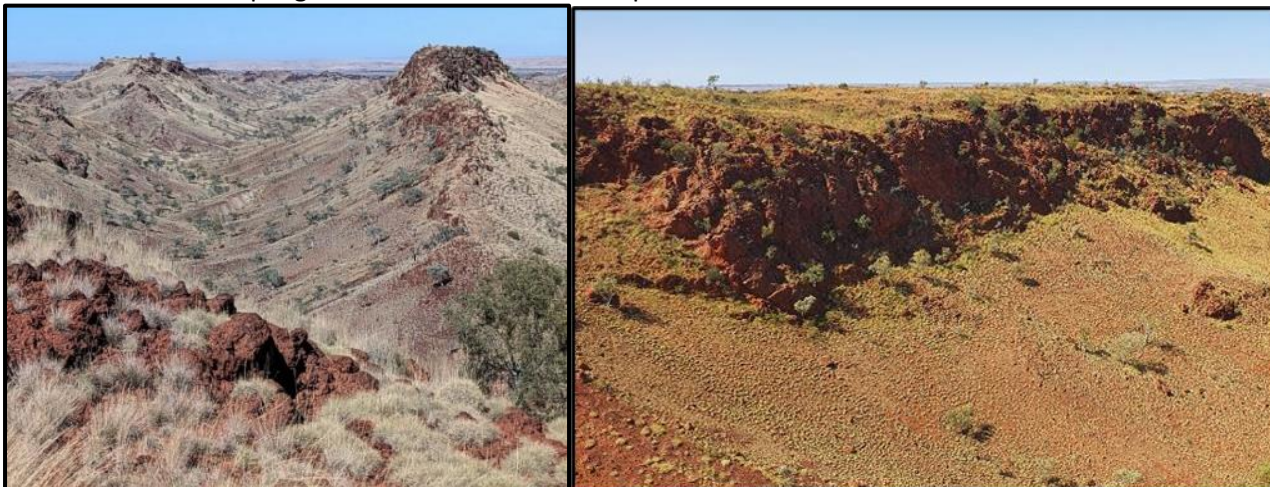


Figure 6: Encouraging geological setting - BIF iron formations with enriched iron zones at Western Shaw

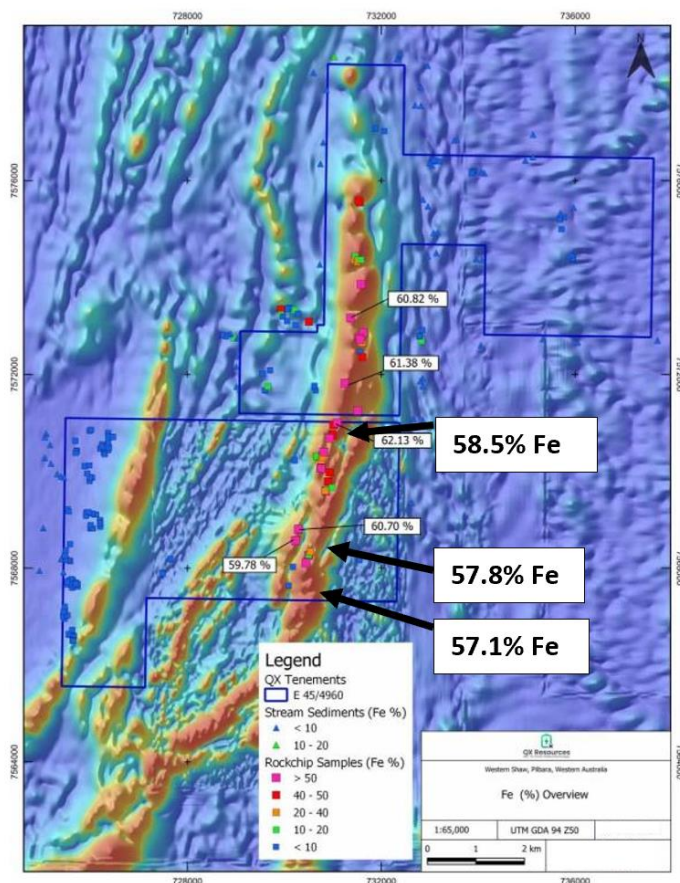


Figure 7: Best rockchip iron ore assays (Fe%) – QXR samples (Large Text) and Historical Atlas Iron samples (small text) located on a magnetic image over Western Shaw

Gold Projects – Queensland

Gold Project -Queensland

QX Resources holds gold project areas strategically located within the Drummond Basin of Central Queensland that has 8.5-million-ounce gold endowment and a long history of ongoing mining with potential for significant epithermal gold-silver deposits. The largest producer historically is the Pajingo mine (ex-Newmont) which has produced 3.4 Moz since 1986 and currently produces ~ 80,000oz/yr.

QXR holds a 70% equity interest in four (4) exploration licenses 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.

A detailed review is underway due to the success of a previous trenching program completed at the Big Red and Red Dog gold prospects with significant gold mineralisation reported. These results included Trench 1 with 9m @ 5.9 g/t Au within a mineralised zone 35m wide and Trench 4 with 2m @ 23 g/t Au with a mineralised zone 7m wide. Anomalies exist in third party leases nearby. 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

Two exploration permits (EPM 27931 and EPM 27921), covering an area of 626km², are highly prospective for copper, gold, and molybdenum, and provide a significant extension to existing tenements. A large geophysical target in magnetics and IP (Creek deposit) 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. No on ground exploration was undertaken at the projects during the quarter.

CORPORATE

Cash position

The Company ended the March 2024 quarter with cash of ~\$0.8 million and liquid investments of \$131k, and confirms that it is sufficiently funded for the coming two quarters.

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was \$39k exploration expenditure incurred during the March 2024 quarter.

Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: during the March 2024 quarter \$61k was paid to directors and associates for director, consulting, company secretarial and accounting fees.

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

-ENDS-

Further information:

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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 March 2024.

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
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 March 2024

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	(39)	(287)
(b) development	-	-
(c) production	-	-
(d) staff costs	(50)	(150)
(e) administration and corporate costs	(72)	(541)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
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	(157)	(973)

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	(972)	(3,137)
(f) other non-current assets	-	-

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
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)	(17)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(973)	(3,154)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4	3,336
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)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(77)	(77)
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	(73)	3,110
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,011	1,825
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(157)	(973)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(973)	(3,154)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(73)	3,110

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	808	808

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	808	2,011
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)	808	2,011

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	61
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/company secretarial/accounting fees included in item 1.2.

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.		
<p>*Note to Items 7.3 (above)</p> <p>The Company established an "At-The-Market" (ATM) Facility with Dolphin Corporate Investments (DCI) announced to the market on 10 October 2023.</p> <p>The facility is equity based and limited to \$3m. The actual facility capacity is a function of share price and available capacity over a request and option exercise period. The actual facility capacity will change up or down over time. The Company may not sell shares through the facility to DCI above the maximum AUD\$3m which operates as a cap on the facility.</p> <p>The Company cannot request DCI to exercise its option to buy shares at or above the Company's nominated floor price (the Company has discretion). DCI has the right to decline an option request or may only partially exercise its option to buy shares (if its DCI's decision to buy once QX Resources Ltd has made the request).</p> <p>Whilst an ATM is a "facility" it is also a "sold contingent option", contingent on the company activating the option and DCI exercising that option and the Appendix 5B does not properly cater for the cashflow from options, or potential future placements that are subject to prevailing placement capacity that may or may not require shareholder approval which may not be obtained.</p> <p>In keeping with Australian Accounting Standards and the intent of 5B reporting, the Company has chosen to not report any ATM facility amount in item 7.3, to ensure it is giving a true and fair view of facility positions that have conditions precedent for the funding to be attained,</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(157)
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)	(157)
8.4 Cash and cash equivalents at quarter end (item 4.6)	808
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	808
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.15
<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>	

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

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

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.

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 2024

Authorised by: Board of Directors of QX Resources
(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.