

QXR Quarterly Activities Report for Period Ended 30 September 2024

31 October 2024

HIGHLIGHTS

Lithium Brine Projects, USA

- QXR and IG Lithium have agreed to restructure the Option Agreement in respect of the Liberty Lithium Brine Project to reduce option payments and also to include an option over two additional prospective lithium brine projects in the USA.
- QXR now has the option to acquire a 25% interest in IGL, the holder of the Liberty Lithium Brine Project, which reduces QXR's cash option payments from US\$1.7 million to US\$500,000.
- QXR has also entered into an option agreement with IGX Minerals LLC (a related company of IGL), granting QXR an option to acquire a 15% stake in IGX and which holds two prospective lithium brine projects in Nevada and Utah, USA.
- IGX and IGL continue discussions with US based producers of battery-grade lithium products in relation to the future supply of lithium brine products.

Gold Projects – Central Queensland

- High grade gold trenching programme planned at Big Red in central Queensland. Previous trenching returned high grade gold results including 9m @ 5.9g/t Au. Gold mineralisation remains open along strike under cover.
- Reassessment of two shuttered gold mines within QXR's ground has commenced as these mines were last operated when the gold price was less than A\$500/oz.
- Gold projects are in the Drummond Basin in Queensland – a region with a long history of ongoing gold mining region with an endowment of over 8.5 million ounces.

Pilbara Iron Ore Project

- Discussions are underway after planning a detailed rockchip sampling programme over Iron Ore Samples with up to 58.5% Fe in rockchip samples over 4km of enriched iron ore over a Banded Iron Formation (BIF) at Western Shaw in the Pilbara.

Corporate

- Post quarter-end, the Company announced that it had received firm commitments for a placement to raise \$1 million (before costs), through the issue of 200 million shares at \$0.005 each. The Placement includes \$150,000 participation by directors, subject to Shareholder approval

OPERATIONS

Lithium Brine Projects, USA

During the September quarter, the Company announced that it had renegotiated the option agreement over the Liberty Lithium Brine Project in California, USA, to reduce option payments and also to include an option to acquire an interest in two additional prospective lithium brine projects in the USA.

QXR had previously entered into an option agreement with IG Lithium LLC (**IGL**) to acquire up to a 75% interest in IGL, the owner of the Liberty Lithium Brine Project, as announced 5 October 2023 (**Option Agreement**). The parties have negotiated a variation to the Option Agreement, whereby QXR now has an option to acquire a 25% interest in IGL on or before 30 June 2025 (**Variation Agreement**). The restructuring reduces QXR's cash option payments from US\$1.7 million to US\$500,000.

QXR has entered into a further option agreement with IGX Minerals LLC (**IGX**) (an unlisted Delaware company established in 2022, and a related company of IGL) granting QXR an option to acquire a 15% interest in IGX on or before 30 June 2025 for US\$500,000 (**IGX Option**). IGX has identified and secured two (2) prospective lithium brine projects in Utah and Nevada, USA, covering 10,660 hectares (26,300 acres). IGX and IGL continue discussions with US based developers and producers of battery-grade lithium products to potentially supply future lithium brine feedstock.

IGL and IGX have an excellent local US exploration team and contractors to ensure advancement of the projects. Next steps include permitting for new drill sites at the Liberty Lithium Brine Project, targeting areas that are interpreted to be prospective to intersect deep lithium brines in the centre of the basin, further west of drilling previously undertaken by QXR (ASX announcement 19 June 2024). QXR is continuing its review of work conducted to date by IGX on their two projects, which indicate encouraging results in a favourable geological setting.

The Liberty Lithium Brine Project, located in SaltFire Flat, California, covers a large area of 102km² (25,300 acres), being one of the largest single lithium brine projects in the USA and one of the first identified near surface brine basins outside of the producing Clayton Valley in Nevada (**Figure 1**). Geophysical analysis shows a large basin over 1,000 metres deep. Drilling has shown numerous brine horizons. The Project's geological setting mirrors Albemarle's nearby producing Silver Peak lithium brine deposit in Clayton Valley USA ¹.

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

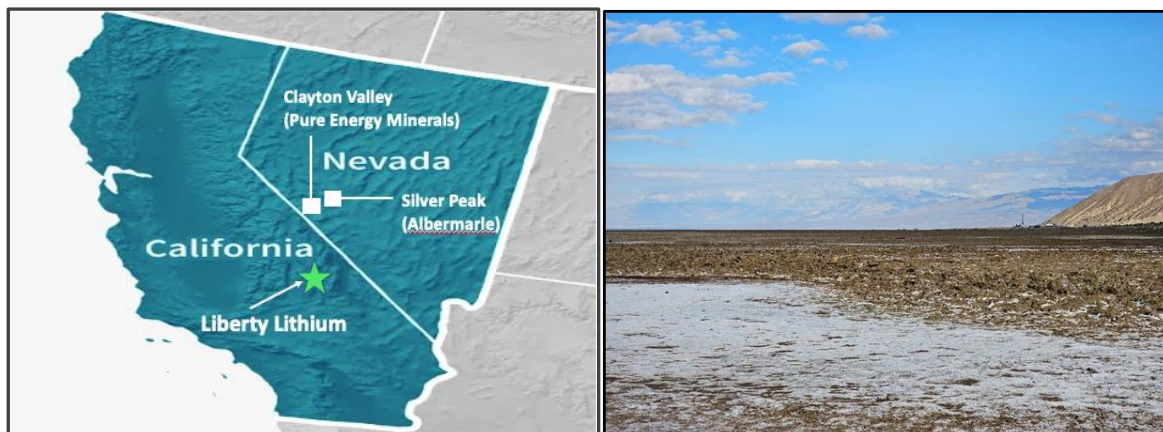


Figure 1: The Liberty Lithium Brine Project; The drill rig on the Drillhole#1 as seen from Drillhole#2

Gold Projects – Queensland

QX Resources holds c.100,000 hectares of gold projects 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 85,800 Ha of exploration leases on a 100% basis and 11,500 Ha (70%QXR) in a JV with private company, Zamia Resources.

High Grade Gold in Trenches at Big Red Project

QXR plans a new trenching program at Big Red. Previous trenching at Big Red returned high grade gold results including 9m @ 5.9 g/t Au. Gold mineralisation remains open along strike, and will be targeted in the upcoming trenching program. Interpreted strike length over Big Red currently exceeds 450m with probable further concealed extensions beneath sandy loam surficial cover.

The trenching is an initial phase, prior to drilling, as part of a plan of reassessment around potentially reopening closed open pit gold mines and further drill targets with the aim of future gold production scenarios.

Gold trenching is planned to extend current high grade gold results in trenches at the Disney-Big Red Project (*ASX announcement 1 Nov 2021*). Two elongate gold anomalous zones were defined over 650m and may extend up to 1200m long. Best trench results from hard rock at the base of trenches at Big Red were:

- Trench 1 - 9m @ 5.9 g/t Au within a mineralised zone 35m wide. Large zone 80m @ 1.2 g/t Au
- Trench 2- 3m @ 2.2 g/t Au within a mineralised zone 13m wide. Large zone 28m @ 1.8 g/t Au
- Trench 4 - 2m @ 23 g/t Au with a mineralised zone 7m wide. Large zone 32m @ 1.7 g/t Au

These results produced a drill ready target, but that drill program was delayed twice due to weather and soft ground (*ASX announcement 13 July 2021, 31 April 2022*). Further trenching is planned to extend the current zone of high-grade gold mineralisation prior to a drilling program over a number of shallow targets. The Company believes the potential of Big Red may be similar to nearby Twin Hills deposit with 1.0Moz (23.1Mt@1.5g/t Au) incl 49m @5.2g/tAu and Lone Sister 0.48Moz (12.5Mt@1.2g/t Au) incl. 28m @45.2g/t Au (*c.f. ASX:GBZ announcement 5 Dec 2022, 28 Apr 2023, 9 Jun 2023*). No ground exploration was undertaken at the projects during the quarter.



Figure 2: Big Red (Red Dog) Project –Past trenches; quartz breccias; area of past trenches (yellow rectangle) and planned extensions (orange rectangle)

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

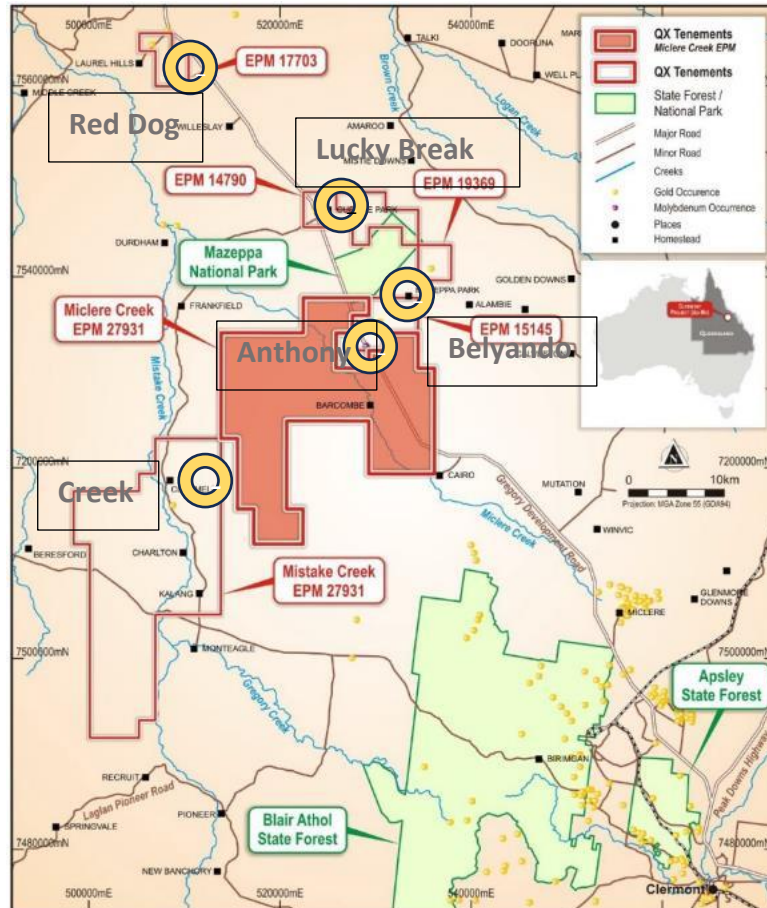


Figure 3: QXR's Queensland Gold and Gold-Copper-Moly Project Location Map

Pilbara Iron Ore Project - Western Australia

Discussions are underway after planning a detailed rockchip sampling programme over Iron Ore Samples with up to 58.5% Fe in rockchip samples over 4km of enriched iron ore over a Banded Iron Formation (BIF) at Western Shaw in the Pilbara (E45/6107, E45/4960). Following a comprehensive review of prior exploration, potential exists for enriched surface iron ore over BIF sequences (*ASX announcement 20 Feb 2024*). The project is located less than 15km from both the Hancock-Roy Hill rail line and the Fortescue (FMG) rail line with the district having been an exploration target for enriched iron ore as DSO (Direct Shipping Ore).

Previously, enriched surface iron ore over BIF sequences with chert horizons was sampled over 4.4km but extends over 8km within the Western Shaw leases. A new sampling program of 250m spaced rockchip traverses has been planned over the full 8km outcrops but was delayed due to appropriately skilled personnel availability. Previous work had been conducted by Atlas Iron over 15 years ago with rockchip results up to 62.3%Fe. No on ground exploration was undertaken at the projects during the quarter.

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. 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. These were taken from new areas of interest within Turner River. Detailed trenching and sampling are planned to target new areas and to better define mineralised extensions under shallow cover, together with an interpretation of recently flown detailed airborne. No on ground exploration was undertaken at the projects during the quarter.

CORPORATE

Cash position

The Company ended the September 2024 quarter with cash of ~\$179k and liquid investments of \$106k.

Capital Raising

Post quarter-end, the Company announced that it had received firm commitments for a placement to raise \$1 million (before costs), through the issue of 200 million shares at \$0.005 each. The Placement includes \$150,000 participation by directors, subject to Shareholder approval.

Board changes

On 30 September 2024, the Company announced that Steve Promnitz had resigned as Managing Director.

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was \$30k exploration expenditure incurred during the September 2024 quarter.

Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: during the September 2024 quarter \$48k 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:

Maurice Feilich, Executive Chairman: 0411 545 262



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Competent Persons Statements

The information in this report that relates to the Queensland Gold Projects (Anthony and Lucky Break) 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.

The information in this report that relates to Exploration Results at the Liberty Lithium Brine Project has been prepared by Mr Murray Brooker. Murray Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists. Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd and is independent of QX Resources. Mr Brooker has sufficient relevant experience 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 Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears.

Table . Tenements

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 30 September 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")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(30)	(30)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(9)	(9)
	(e) administration and corporate costs	(131)	(131)
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	(169)	(169)

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	(198)	(198)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	9	9
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(3)	(3)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(192)	(192)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	540	540
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(169)	(169)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(192)	(192)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	179	179

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	179	540
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)	179	540

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	48
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Amounts at item 6.1 are in relation to director/company secretarial/accounting fees included in item 1.2.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(169)
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)	(169)
8.4 Cash and cash equivalents at quarter end (item 4.6)	179
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	179
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.06
<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: Yes	
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: On 27 October 2024 the Company announced that it had secured firm commitments for a \$1m placement. The Company has demonstrated a track-record of raising funds as required.	
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: Yes, per 8.8.2 above.	
<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

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

Date: 31 October 2024

The board of Directors

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

Notes

- 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

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

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.