

ASX ANNOUNCEMENT

Quarterly Activities Report for Period Ended 31 March 2021

QX Resources Limited (**ASX: QXR**) (**QX** or the **Company**) is pleased to provide this Quarterly Activities Report for the period ended 31 March 2021.

HIGHLIGHTS

- **Granting of EPM 27791 (Llanarth Project), covering 232km² in the Drummond Basin, which is prospective for gold-silver mineralization. QX now has exposure to ~350km² of exploration ground in the Drummond Basin.**
- **Historic drill data recovery and validation have provided the data needed to commence preliminary solid modelling on the Lucky Break gold deposit on EPM 14790. Over 8,700m of drilling in 177 holes with more than 4100 primary gold assays have been recovered and made useable in computer aided design.**
- **Wireframe solids based on historic drill assay at a cut-off grade of 0.3 g/t and geology, currently enclose volume of 193,500 cubic metres and linear 724.5m of drill return assay with a length weighted average grade of 2.12 g/t Au and 1.05 g/t Ag.**
- **Historical drilling results to the south of Lucky Break include 2m at 8.36 g/t Au (LB020) and 2m at 6.00 g/t Au (LB021)¹.**
- **Face sampling undertaken during a site visit during the March quarter in the Lucky Break pit returned 2.6m at 4.70 g/t Au, and independently verified the drill based solid model spatial location at its surface projection.**
- **Wireframe solid modelling, a preliminary step providing spatial constraint to most types of resource modelling and statistical estimation, has yielded spatial and volumetric data which confirms QXR's decision to proceed with drilling work at Lucky Break.**
- **A 2000 metre RC drill program to shortly commence to test the Lucky Break Mine anomaly and its structural trend as well as infill, depth extension and twin studies.**

OPERATIONS

Queensland Gold Project

On 1 July 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**).

¹ Note: these intercepts demonstrate the prospectivity of the project. Full results of historical drill holes are set out in Table 2

QX Resources Limited

On 16 October 2020 the Company announced that it had executed an earn-in agreement with Zamia (**Earn-in Agreement**) which replaced the previously executed HoA. Under the Earn-in Agreement, QX will assume 50% ownership of Zamia Resources through the issue of 40,000,000 ordinary shares subject to a 12-month voluntary escrow from the date of issue, expected to be early next week, and will move to 70% ownership by spending \$500,000 on the project within six months commencing 1 October 2020. The Company can then secure up to 90% of Zamia Resources by spending a further \$1m on exploration and project development works.

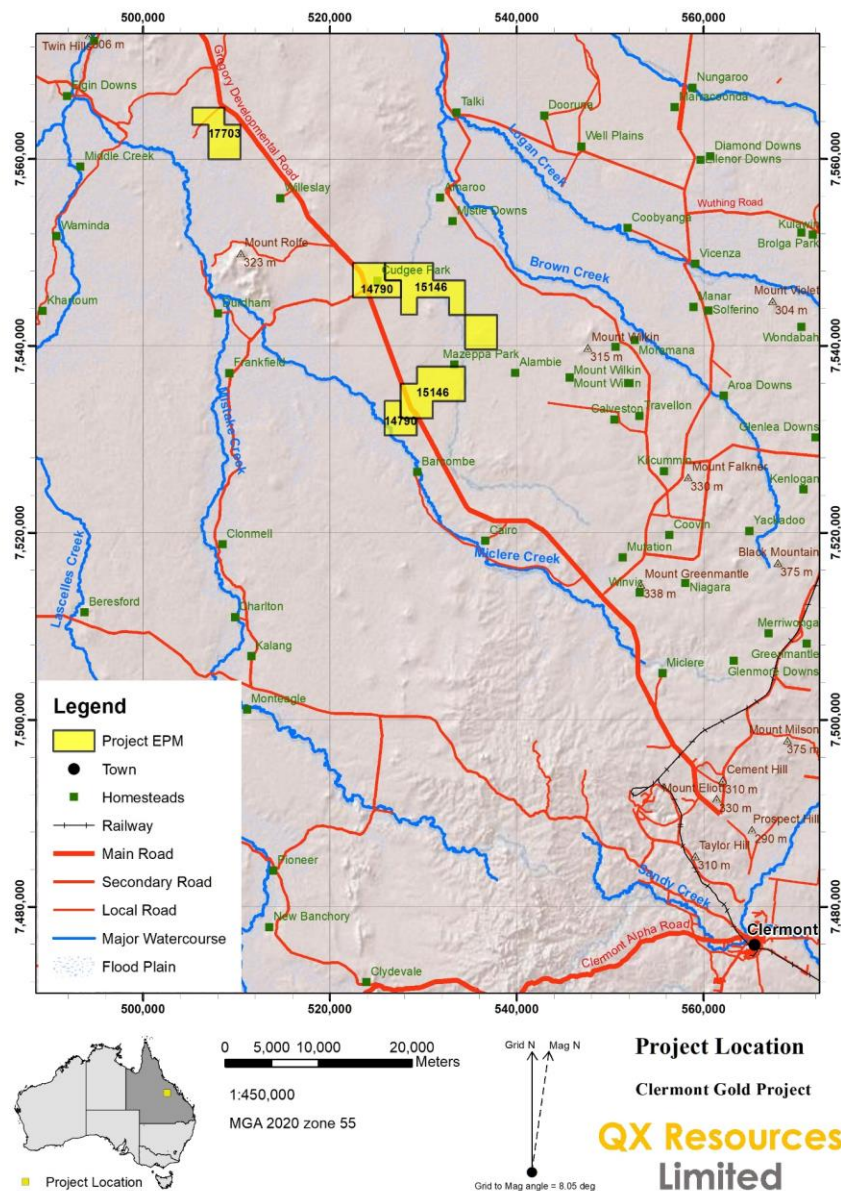


Figure 1: QX Project location map, Drummond Basin QLD

Maiden RC drilling program

During the March quarter the Company finalised prospect targeting and approvals ahead of commencing its maiden reverse circulation (RC) drilling program at the Lucky Break project. The program will aim to test the Lucky Break Mine anomaly and its structural trend as well as high priority infill, depth extension and twin studies. Lucky Break lies adjacent to the Gregory Highway on EPM 14790 (Mazeppa) in the Clermont Goldfield of central Queensland. The Mazeppa tenement (EPM 14790) within the Thompson Orogen is dominated by slates, phyllites

and schists of the Anakie Metamorphics which unconformably bound the Drummond Basin sequence, (see Figure 3). The Lucky Break area is one of the few locally where the Anakie Metamorphics are exposed through Tertiary to Quaternary colluvium and flanking Drummond Basin Sequence sediments.

Other targets for QXR's priority 2021 RC drill program at Lucky break are the unaccounted for wide zone of the potassium anomaly corresponding with central Lucky Break, to be drilled obliquely in order to detect conjugate mineralised structures as well as multiple twin studies for QAQC and validation of historic Lucky Break drilling, infill drilling on the known Lucky Break mineralised zone and Lucky Break depth extension.

Lucky Break has been drilled in phases by multiple operators:

Date	Company & Reference	Drilling
1982-1983	Lucky Break Gold Mining Co <i>QLD DNRME open file report CR12009</i>	6 diamond 169.7m 3 Open Percussion 213.5m
1983	Great Eastern Mining Ltd <i>QLD DNRME open file report CR13379, CR15169</i>	25 RC 1745m
1984-1985	Ladnote Pty Ltd <i>QLD DNRME open file report CR14062</i>	33 RAB 990m
1985-1986	East-West Minerals NL <i>QLD DNRME open file report CR15169</i>	17 Diamond 891.2m 80 RC 3017m
2007	Zamia Resources Pty Ltd <i>I'Ons, M.E. (2008). 2nd Annual Report 12/01/2007 to 11/1/2008. Sydney, NSW: Zamia Resources Pty Ltd</i>	14 RC 1745m
Total	4102 primary Au assays 3670 repeat & duplicate Au assays 2776 Ag assays & similar multi-element	8771.4m
<i>Problems</i>	18 holes from 1983 have not yet had assay recovered 77 holes have not yet had geological logs recovered	



Figure 2: Gold mineralised lode in Lucky Break pit wall, face sample by QXR in late 2020, the 2.6m wide lode showed a length weighted average gold grade of 4.70 g/t Au (from 1.4m at 6.01 g/t Au and 1.2m at 3.17 g/t Au).

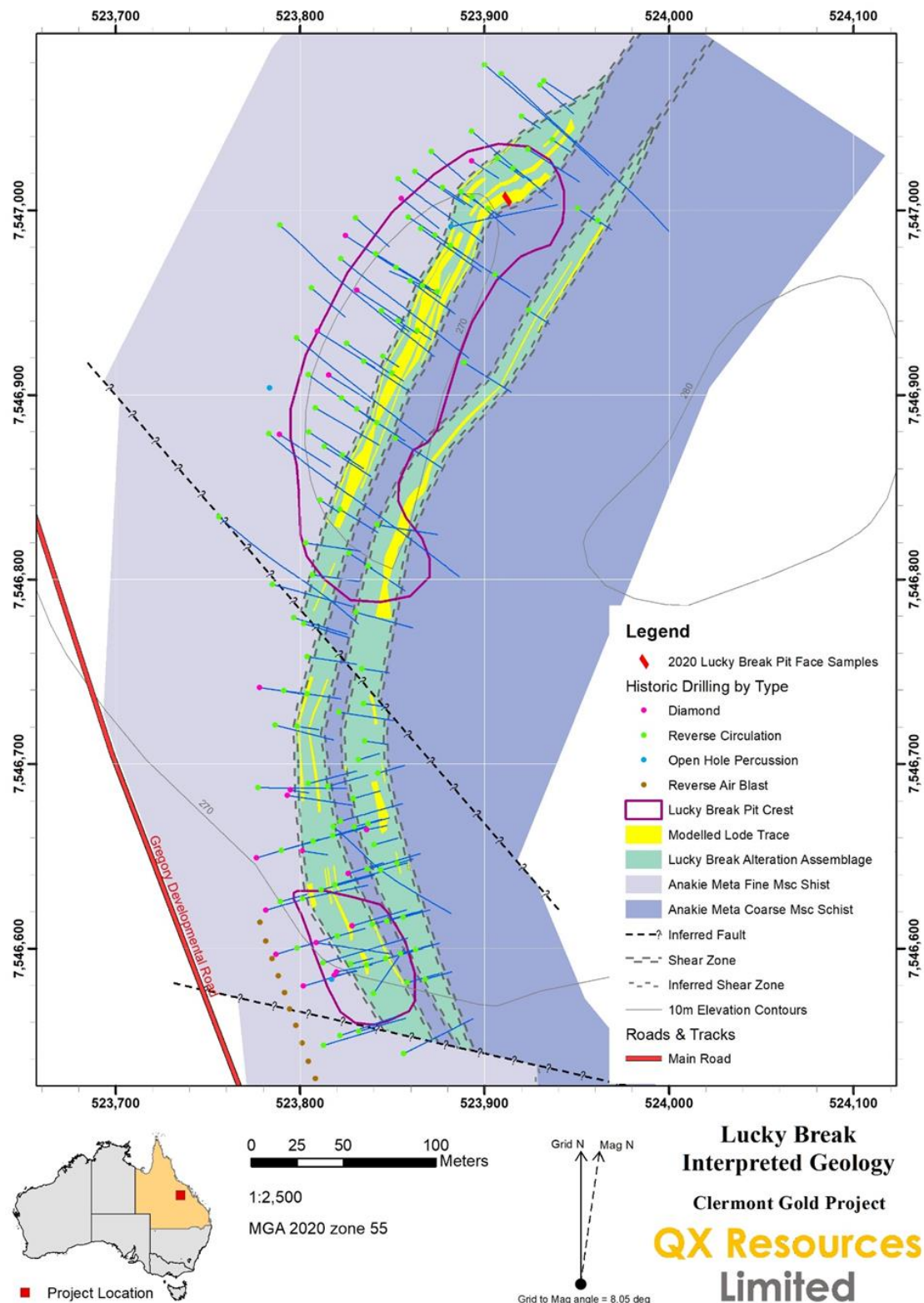


Figure 3: Lucky Break interpreted geology showing historic drill hole traces coloured by type and surface trace of wireframed gold mineralised lodes. Wireframed lodes were modelled to a cut-off grade of 0.3 g/t, snapped to drill intersections, including no more than 1 continuous metre of internal waste. QXR's grab sample location is shown at the north end of the historic pit crest.

Llanarth project

EPM 27791 is located approx. 165km south-south-east of Charters Towers, within the Drummond Basin of Northeast Queensland. The tenement is covered by the Scartwater (8255), Bulliwallah (8254) 1:100,000 and Buchanan (SF55-6) 1:250,000 geological map sheets. It lies within the Clonmel, Jumba, Llanarth and Mount Douglas Stations. Access to the tenement is via public roads and station tracks. Location is shown in **Figure 4**.

EPM 27791 lies within the Thompson Orogen's highly prospective Drummond Basin sedimentary stratigraphy straddling the Cycle 1 units of St Anne's Formation and the Llanarth Member to the east, and the Cycle 2 units of Star of Hope, Mt Hall and Scartwater Formations to the west (**Figure 4**).

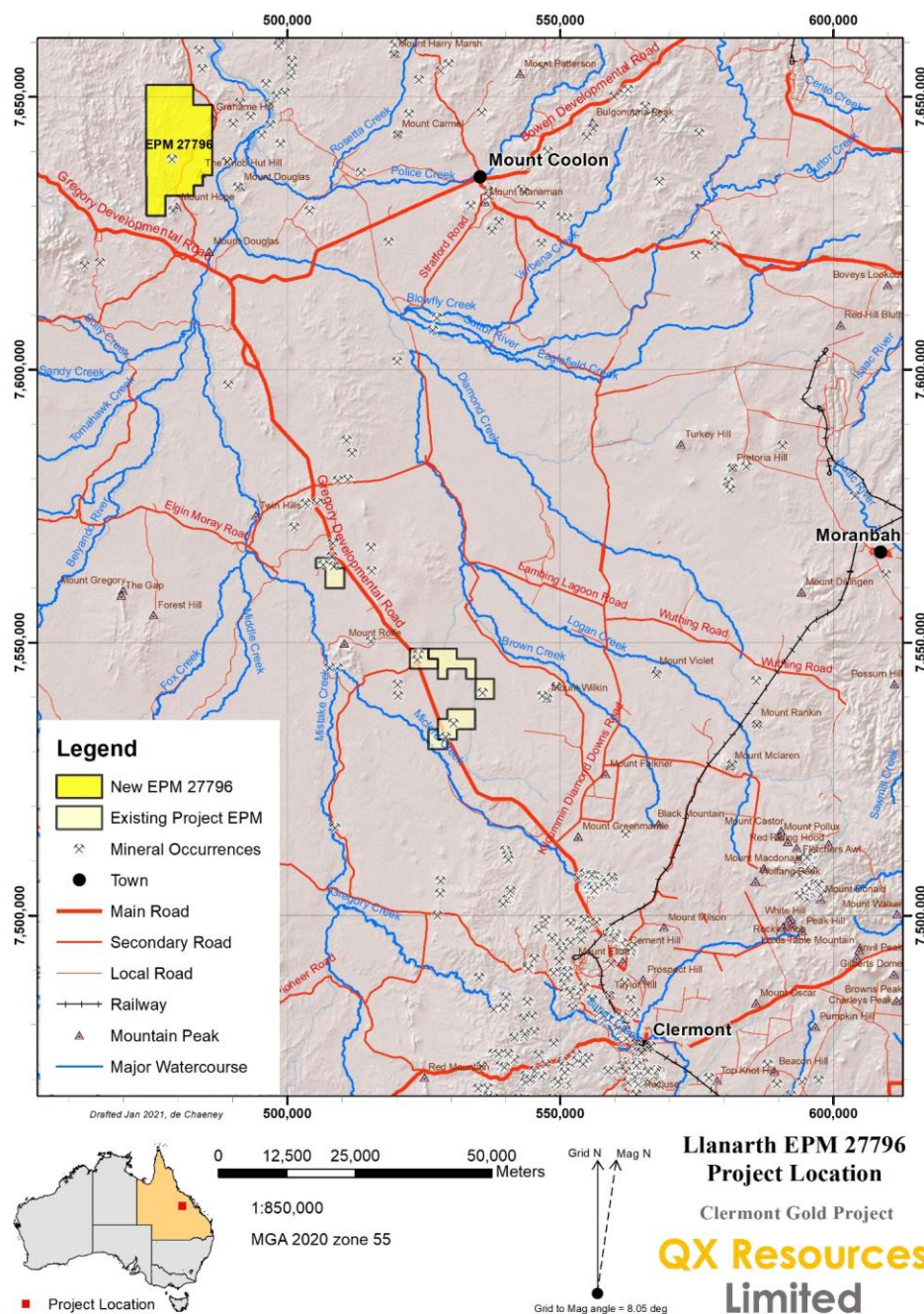


Figure 4: QXR's Clermont Gold Project location showing EPM 27796 and existing project EPMs.

Next-Battery

QX holds a 25% interest in Next-Battery. As referred to in the Company's March quarterly report, Next-Battery is currently conducting a strategic funding round.

The Company will update the market on developments by Next-Battery in due course.

Summary of exploration Expenditure

In accordance with Listing Rule 5.3.1, the Company reports that there was \$3,000 exploration expenditure incurred during the March quarter. Additionally, the Company provided loan funding to Zamia Resources of \$103,000, which was utilised for exploration activities.

Cash position

The Company ended the quarter with a cash balance of ~\$405,000 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.

Note 6 of Appendix 5B

Payments to related parties of the entity and their associates: during the December quarter \$32,000 was paid to directors and associates for director and company secretarial fees.

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

-ENDS-

Further information, please contact:

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Web: www.hiporesources.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 Big Red and Ibis project is based on information compiled by Mr. Roger Jackson, a Director and Shareholder of the Company, who is a 25+ year Member 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 2021.

Tenements	Acquired during the quarter	Disposed during the quarter	Held at end of quarter	Country
EPM 17703	-	-	50%, Option to earn 90%	Australia
EPM 15145	-	-	50%, Option to earn 90%	Australia
EPM 14790	-	-	50%, Option to earn 90%	Australia
EPM 19369	-	-	50%, Option to earn 90%	Australia
EPM 27791	100%	-	100%	Australia