

## ASX ANNOUNCEMENT

### Quarterly Activities Report for Period Ended 31 December 2020

QX Resources Limited (**ASX: QXR**) (**QX** or the **Company**) is pleased to provide this Quarterly Activities Report for the period ended 31 December 2020.

## CORPORATE

### Capital Raising

On 31 December 2020, the Company advised that it had issued 60,000,000 unlisted options, exercisable at \$0.02 within 2 years from issue, at an issue price of \$0.001 each. The options were issued to new and existing professional and sophisticated investors to raise \$60,000 (before costs).

### Shareholder Meeting

On 26 November 2020, all resolutions put to Shareholders at the Company's Annual General Meeting were passed by way of a poll.

### Name Change

On 5 October 2020 the Company advised that its name had changed from Hipo Resources Limited to QX Resources Limited and its ASX Code had changed to QXR.

### Director Options

On 5 October 2020 the Company issued 35,000,000 unlisted options to directors following Shareholder approval received at the General Meeting held 30 September 2020.

## 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 ~115km<sup>2</sup> 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**).

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. First exploration activities kicked off last week so QX is already earning into this next 20%. The Company can then secure up to 90% of Zamia Resources by spending a further \$1m on exploration and project development works.

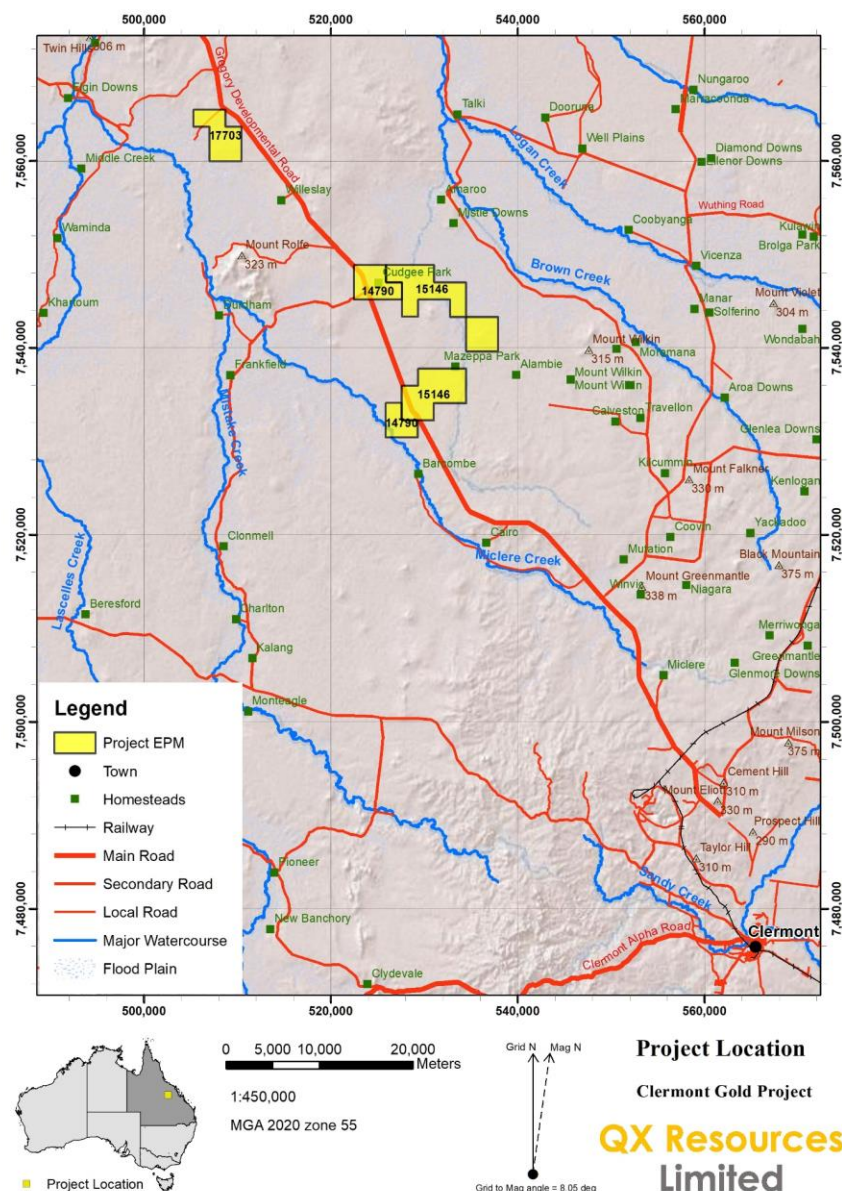


Figure 1: QX Project location map, Drummond Basin QLD

On 9 October 2020 the Company announced that it had commenced detailed infill soil sampling over areas within the highly prospective exploration tenements of Disney and Belyando (**Figure 2**). The Company's technical team which has considerable exploration experience in Queensland's Drummond Basin, have been reviewing historical drill results and previous soil sampling reports to define a number of new highly prospective targets.

### Red Dog Prospect

On 10 November 2020, the Company announced that it had identified a 675m long gold in soil anomaly at the Disney tenement (EPM 17703) (**Figure 2**).

The soil survey targeted areas of infill and extension of the Zamia Resources (**Zamia**) soils results from sampling undertaken in 2013, 2014 and 2015. Zamia sampled 1mm screened B horizon soils to a 100m by 200m grid. This was infilled by QX to 100m by 50m. Samples were assayed by ALS by 30g fire assay with ICP AES finish having a 0.001 ppm detection limit.

The gold anomalism cut-off grade was determined by the statistically robust two absolute median deviations method which yielded a cut-off grade of 0.021 ppm Au. A log empirical transform was applied to assay data to generate an automated exponential variogram for empirical Bayesian Kriging on a 5.6m cell, a maximum search distance of 100m oriented  $40^{\circ}N_{grid}$  and a 10 sample minimum 15 maximum search neighbourhood, using ArcMap 10.8 geostatistical tools.

Analysis of the results shows a clear and localised zone of gold anomalism, christened Red Dog, 675m long strike by 255m cross strike, supported by coincident arsenic, antimony and silver anomalies, located 440m southwest along strike from the known Big Red mineralised zone identified by BMA Gold Ltd, and 1670m southeast of the known Apache mineralisation.

Rock grab samples from soil float within the core of the Red Dog anomaly, taken during the soil programme, yielded grades up to 2.89 ppm Au; further supporting the anomaly.

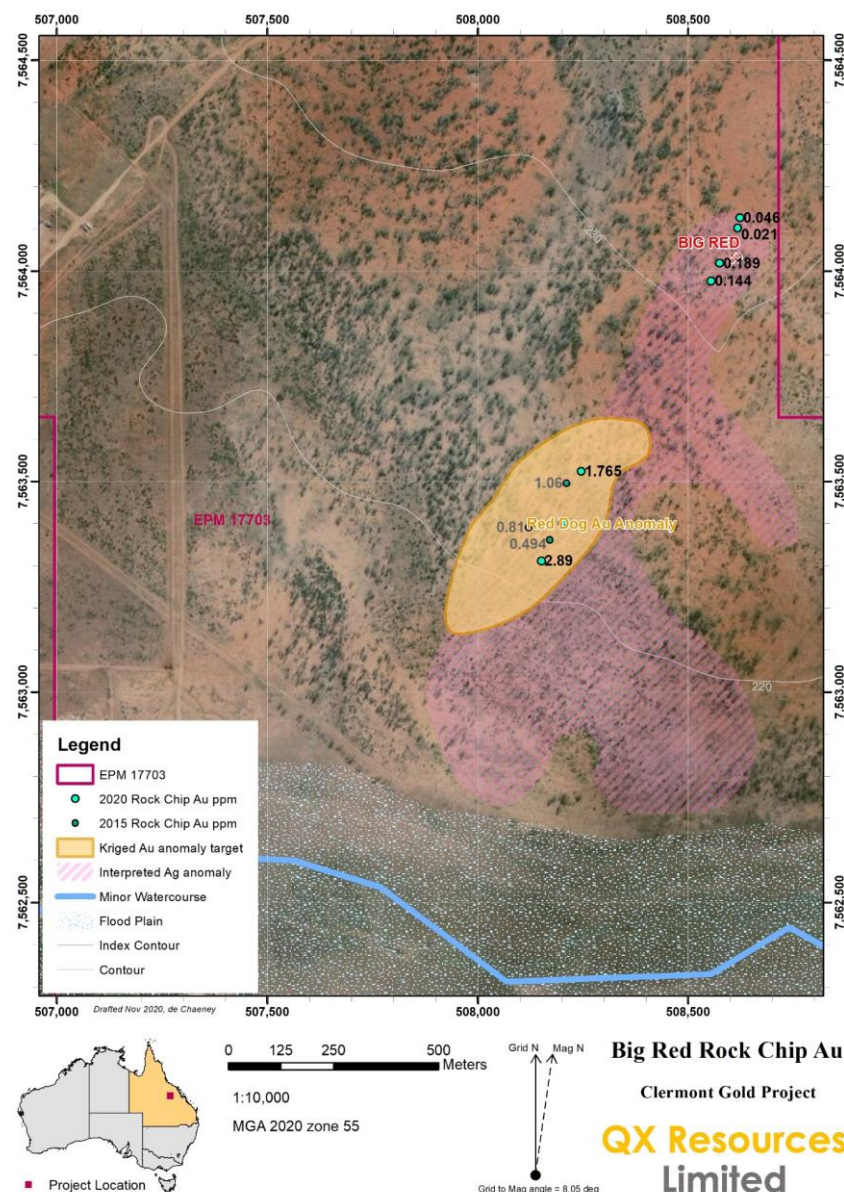


Figure 2: Rock float assays overlain on Red Dog gold and silver anomalies.



## Ibis Prospect

On 13 December 2020, the Company announced the results from a soil survey undertaken at the Ibis Prospect (EPM 15145). The soil sampling program infilled previous sampling work undertaken by Zamia Resources in 2007 and 2015. Zamia sampled 1mm screened B horizon soils to a 50m by 100m grid around the Anthony molybdenum, and a 200m by 200m grid across the flat between Anthony and the Belyando gold deposit. This was infilled at the Ibis gold prospect by QX to 50m by 50m (see **Figure 3**). Samples were assayed by ALS using 30g fire assay with an ICP AES finish having a 0.001 ppm detection limit.

The gold anomalism threshold grade was determined by the statistically robust two absolute median deviations method which yielded a cut-off grade of 0.005 ppm Au.

QX believes that together these data show that Ibis has a distinct gold anomaly deriving from an underlying source mineralisation which is genetically and structurally related to the Belyando gold deposit, and that Ibis is a good prospect for further exploration. Though exploration is in early stages, the data so far are suggestive of either a breccia pipe or stockworks low sulphidation epithermal gold system.

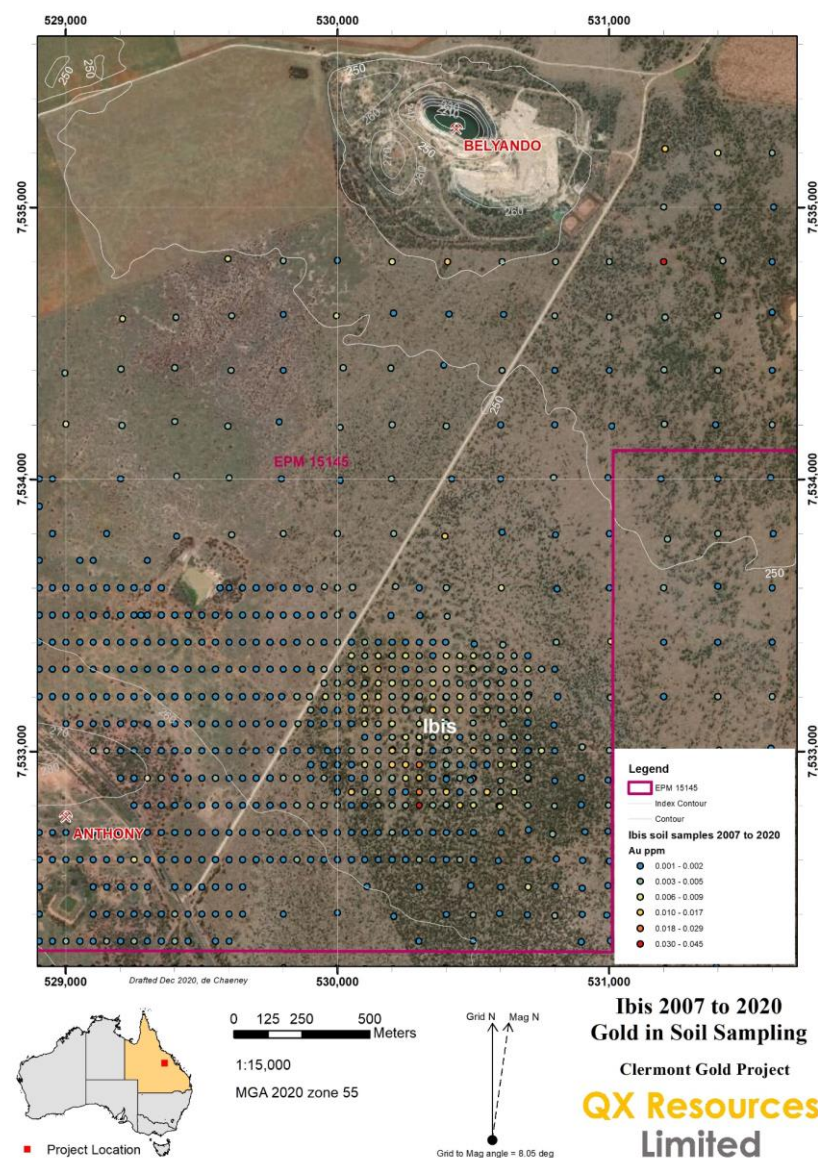


Figure 3: Zamia 2007, 2015, and QX 2020 soil sampling overlain on 30cm resolution satellite imagery.

## 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 \$80,000 exploration expenditure incurred during the December quarter.

## Cash position

The Company ended the quarter with a cash balance of ~\$493,000 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 \$79,000 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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## 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 December 2020.

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