
QX RESOURCES LTD

ACN 147 106 974

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11am WST

DATE: Friday, 25 February 2022

PLACE: The offices of Minerva Corporate, Level 8, 99 St Georges Terrace, Perth, WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 23 February 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF AGREEMENT TO ISSUE SHARES TO REDSTONE

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify an agreement issue 40,000,000 Shares to Redstone Metals Pty Ltd (or its nominee/s) at a deemed issue price of 1.2 cents per Share on the terms and conditions set out in the Explanatory Statement”.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) Redstone Metals Pty Ltd (or its nominee/s); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 24 January 2022

By order of the Board



Daniel Smith
Company Secretary

VOTING

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9486 4036.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF AN AGREEMENT TO ISSUE CONSIDERATION SHARES TO REDSTONE

1.1 Background

On 17 November 2021, the Company announced that it had signed a binding option agreement (**Agreement**) with Redstone Metals Pty Ltd (**Redstone**). The Agreement provides the Company with a 30-day option period to, subject to due diligence, to acquire the highly prospective Western Shaw lithium project (**Western Shaw**) from Redstone through the issue of 40,000,000 consideration shares to Redstone (**Consideration Shares**) and the payment of \$50,000 cash (plus GST).

Western Shaw (E45/4960) covers 81km² and is located in the established Pilbara lithium province, Western Australia 220km south east of Port Hedland with access via the Great Northern Highway. The main attraction of Western Shaw is a large area in the centre exhibiting all the right geological attributes to host lithium-cesium-tantalum pegmatites, and is also prospective for iron ore, gold and nickel mineralisation.

The following is a summary of the material terms of the option Agreement.

- (a) Upon executing the option Agreement and paying the option fee of \$50,000 (paid), QX was granted with a 30-day option period to undertake due diligence on the Western Shaw lithium project to its satisfaction;
- (b) Subject to QX being satisfied with its due diligence enquiries and electing to proceed with the proposed acquisition, the Company will pay to Redstone a further \$50,000 cash (plus GST) and issue 40,000,000 shares in the Company to Redstone (or its nominee/s);
- (c) The issue of the Consideration Shares is subject to Shareholder approval.

The option Agreement otherwise contains standard representations and warranties as customary for a transaction of this nature.

1.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks Shareholder approval to ratify the agreement to issue the Consideration Shares under and for the purposes of Listing Rule 7.4. The effect of Shareholders passing Resolution 1 and ratifying the agreement to issue the Consideration Shares will be to replenish the Company's 15% placement capacity to the extent of the Consideration Shares issued under Listing Rule 7.1.

Resolution 1 is an ordinary Resolution.

1.3 Technical Information required by ASX Listing Rule 7.4

For the purposes of Listing Rule 7.5, information regarding the ratification of the agreement to issue the Consideration Securities is provided as follows:

- (a) The names of the persons to whom the entity issued or agreed to issue the securities: Redstone Metals Pty Ltd, who is not a related party of the Company or a person to whom Listing Rule 10.11 applies.
- (b) The maximum number of securities agreed to be issued is 40,000,000 Shares.
- (c) The securities agreed to be issued are fully paid ordinary shares in the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares are yet to be issued. The Consideration Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is intended that all of the Consideration Shares will be issued on the same date.
- (e) The Consideration Shares will be issued pursuant to the option Agreement as part consideration for the acquisition of the Western Shaw lithium project at a deemed issue price of 1.2 cents per Share. Refer to section 1.1 for more details. Accordingly, no funds will be raised through the issue of the Consideration Shares.
- (f) Other than those out in this section 1, there are no other material terms in relation to the agreement to issue the Consideration Shares.
- (g) A voting exclusion statement for Resolution 1 is included in the Notice of Meeting.

If resolution 1 is passed, the issue will be excluded in calculating QX's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

If resolution 1 is not passed, the issue will be included in calculating QX's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 1.

GLOSSARY

\$ means Australian dollars.

General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means QX Resources Limited (ACN 147 106 974).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

QX Resources Limited

ABN 55 147 106 974

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

QXR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Wednesday, 23 February 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of QX Resources Limited hereby appoint

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the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of QX Resources Limited to be held at the offices of Minerva Corporate, Level 8, 99 St Georges Terrace, Perth, WA 6000 on Friday, 25 February 2022 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

For Against Abstain

Resolution 1 Ratification of agreement to issue Shares to Redstone

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The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

QXR

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Computershare

