

13 May 2021

QX raises \$1m to significantly ramp up exploration activities

Share Purchase Plan to raise up to an additional \$2m

Highlights

- Placement of 70 million shares at 1.5c per share, raising \$1.05m (before costs)
- SPP to raise up to \$2m, partially underwritten to \$600k
- Combined proceeds to drive exploration at the Company's highly prospective gold projects, Queensland
- Assays pending on maiden drill program at Lucky Break gold mine and surrounds; trenching and first drilling now planned for highly prospective Red Dog prospect
- Review of historical Anthony Molybdenum Project being prioritized with detailed update pending.

QX Resources Limited (ASX:QXR, 'QX Resources' or 'the Company') is pleased to advise that it has received firm commitments from sophisticated and institutional investors to subscribe for a placement of 70,000,000 fully paid ordinary shares (Shares) at \$0.015 each to raise \$1.05 million before costs (Placement).

The Placement, which was oversubscribed, is being undertaken in conjunction with a Share Purchase Plan (SPP) which will allow existing Eligible Shareholders to subscribe for parcels of Shares valued at up to \$30,000 at the same issue price of \$0.015. The SPP is targeting to raise \$2 million and is partially underwritten for \$600,000 by Australasian Capital Pty Limited.

The funds raised by these capital raising measures will be used:

1. Towards further drilling at priority Luck Break Gold Mine and surrounds;
2. Proposed maiden drill programs and other exploration activities at Red Dog, Ibis and historical Belyando open pit and extensions;
3. Review of historical Anthony Molybdenum Project and assess potential for ore sorting and Scoping Study; and
4. General working capital requirements.

Comment

Executive Chairman Maurice Feilich said: *"We have received very strong support for this placement and together with the funds from the SPP, we now have much greater financial flexibility to significantly ramp up exploration activities. Our immediate focus is on commencing trenching at the Red Dog prospect with drilling to follow, and based on assay results from the maiden drill program at Lucky Break, follow-up exploration will be undertaken there too.*

"Whilst we have multiple highly prospective gold prospects across the Zamia leases, one asset that warrants much greater focus is the historical Anthony Molybdenum Project. Anthony was the subject of considerable drilling over many years and we are now assessing options to unlock the potential for this project concurrently with advancing our gold exploration activities."

QX Resources Limited

The Lead Manager of the Placement is Sanlam Private Wealth (**Sanlam**), an AFSL entity of which QX Director Maurice Feilich is also a Director. Sanlam will receive a 2% (plus GST) management fee on the Placement, as well as a 4% broker fee (plus GST).

The placement is being made to unrelated parties without shareholder approval and using the Company's placement capacities under Listing Rule 7.1 and 7.1A, and is expected to complete on or about 19 May 2021.

Share Purchase Plan

Participation in the SPP will be available exclusively to shareholders who are registered as holders or underlying beneficial holders of QXR Shares at 7pm (AEST) on the Record Date of 12 May 2021 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Pursuant to the SPP, Eligible Shareholders can subscribe for parcels of Shares valued at up to \$30,000 at an issue price of \$0.015. Eligible Shareholders can subscribe for parcels of Shares valued at \$3,000, \$6,000, \$9,000, \$15,000, \$24,000 or \$30,000 irrespective of the size of their shareholding and without incurring brokerage or transaction costs. Full details of the SPP will be set out in an offer document which the Company will send to eligible shareholders in accordance with the below timetable.

The new Shares to be issued under the SPP will be offered at \$0.015 per Share, which represents a ~13% discount to the 5-day VWAP for the Company's shares prior to the commencement of the trading halt requested by the Company in relation capital raising measures outlined in the announcement on 11 May 2021.

An indicative timetable for the SPP is set out below. Other than the Record Date and announcement of the SPP, QXR may change these dates (including the closing date) and times at its discretion, subject to the Listing Rules and Corporations Act.

| | |
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| SPP Record Date | Wednesday 12 May 2021 |
| Announcement of SPP | Thursday 13 May 2021 |
| SPP Opens | Thursday 20 May 2021 |
| SPP Offer Document Dispatched | Thursday 20 May 2021 |
| SPP Offer Closes | Thursday 3 June 2021 |
| Announcement of Results of SPP | Tuesday 8 June 2021 |
| Last Day to issue Shares purchased under SPP | Thursday 10 June 2021 |

Underwriting Terms

In consideration for partially underwriting the SPP offer for 40 million shares, QXR has agreed to pay Australasian Capital Pty Ltd (**Australasian**) an underwriting fee of 6% of the total gross amount underwritten by Australasian. The agreement to issue the underwritten shortfall shares is entered without shareholder approval and using the Company's placement capacities under Listing Rule 7.1.

The terms of the underwriting agreement are customary for a transaction of this nature. Australasian is not a related party to the Company.

An Appendix 3B accompanies this announcement.

Authorised by the Board of QX Resources Limited.

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