

9 June 2022

Small Shareholding Sale Facility Established

QX Resources Limited (**ASX: QXR**, 'QX Resources' or 'the Company') announces that it has established a sale facility for shareholders with holdings valued at less than A\$500 (**Sale Facility**).

The Sale Facility enables eligible shareholders to sell their QX Resources' shares without incurring any brokerage or handling costs. This initiative will substantially reduce administration costs incurred by QX Resources.

The Sale Facility is open to shareholders on the QX Resources register who hold less than A\$500 worth of shares as at 5:00pm (**WST**) 3 June 2022 (**Record Date**). Unless eligible shareholders opt-out of participation in the Sale Facility, these shareholders will have their shares sold and the proceeds remitted to them free from brokerage and handling fees.

At the Record Date there are 503 shareholders who would be eligible to participate in the Sale Facility, representing 21% of total shareholders. The eligible shareholders hold 2,303,374 ordinary shares in QX Resources, representing 0.27% of total issued capital.

Shareholders will also have the ability to opt-out of participating in the Sale Facility and retain their shareholding. For shareholders who participate in the Sale Facility, the shares will be sold using a financial services licensee on the basis that person takes all reasonable care to obtain the highest possible price for the sale of the Shares, and no less than the simple average of the last sale prices of QX Resources on the ASX for each of the 10 trading days immediately preceding the date of any offer received by the Company.

A summary of the key dates in respect of the Sale Facility is as follows:

Event	Date
Record Date to establish holders of Small Shareholdings	5:00pm (WST) 3 June 2022
Small Shareholding Sale Facility Announcement to ASX	Thursday, 9 June 2022
Letter to shareholders with holdings valued at less than A\$500	Friday, 10 June 2022
Sale Facility Closing Date	Friday, 22 July 2022

The attached letter is being sent to eligible shareholders detailing the key dates for the Sale Facility and instructions for shareholders who wish to retain their shareholdings.

Authorised by the Board of QX Resources Limited.

Further information:

Maurice Feilich, Executive Chairman: Ph: 0411 545 262

Ben Davies, Six Degrees Investor Relations: 0431 658 276 ben.davies@sdir.com.au

QX Resources Limited

9 June 2022

SMALL SHAREHOLDING SALE FACILITY FOR QX RESOURCES SHAREHOLDERS

Dear Shareholder,

QX Resources Limited (**QX Resources**) recognises that there are a large number of shareholders with small parcels of shares for whom it may not be cost effective to sell those shares on the Australian Securities Exchange (**ASX**).

QX Resources has established a small shareholding sale facility (**Sale Facility**) for shareholders on the register who have QX Resources holdings valued at less than A\$500 (**Small Shareholdings**).

Your QX Resources shares have been included in the Sale Facility because our share register shows that, as at 5pm WST on Friday, 3 June 2022 (the **Record Date**), the number of shares held by you was a Small Shareholding (i.e. less than A\$500, and being less than 11,364 shares).

If the market value of your holding remains below A\$500 based on the share price at the Record Date at 5pm (WST) on Friday, 22 July 2022 (**Sale Facility Closing Date**), your QX Resources shares will be sold and the proceeds sent to you unless you notify us that you do not want them sold.

If you wish to retain your shares, please notify us prior to the Sale Facility Closing Date by completing and returning the Retention Form in the enclosed reply-paid envelope.

WHY HAS QX RESOURCES ESTABLISHED THE SALE FACILITY?

QX Resources is offering shareholders with Small Shareholdings an opportunity to sell their shares through the Sale Facility at a market price, without incurring any brokerage or transfer fees. Shareholders can choose to opt out of the Sale Facility by completing and returning the Retention Form included.

The Sale Facility will also reduce QX Resources' administrative and registry costs associated with small parcels of shares.

HOW DOES THE SALE FACILITY WORK?

Shares included in the Sale Facility will be sold following the Sale Facility Closing Date, unless we are notified otherwise or the holding is no longer less than A\$500.

Shareholders will not pay any brokerage or handling fees for the sale of their QX Resources shares under the Sale Facility. The price that you receive for your shares under the Sale Facility will be determined by when and how the shares are sold and, to comply with the Company's constitution, will be sold for no less than the simple average of the last sale prices of QX Resources on ASX for each of the 10 trading days immediately preceding the date of any offer received by the Company.

WHAT DO I NEED TO DO?

You can choose whether or not to participate in the Sale Facility prior to the Sale Facility Closing Date at 5pm (WST) on Friday, 22 July 2022.

Option 1: No further action is required to participate in the Sale Facility. If you have not submitted a Retention Form by the Sale Facility Closing Date and your holding has a value of no more than A\$500, your shares will be sold through the Sale Facility and you will receive the sale proceeds as soon as practicable following the Sale Facility Closing Date.

QX Resources Limited

You must take action before the Sale Facility Closing Date if you do not want to sell your shares through the Sale Facility.

Option 2: To Retain Your Shares, You Must Either:

- a) Complete and submit the attached Retention Form to Computershare prior to the Sale Facility Closing Date. If you submit a Retention Form, please allow a reasonable time for it to be received by Computershare; or
- b) Top up your shareholding to be more than a Small Shareholding prior to the Sale Facility Closing Date (for example, by acquiring additional shares on the ASX).

If you hold shares in multiple shareholdings, some of which are Small Shareholdings, then QX Resources will sell those Small Shareholdings, unless a Retention Form is received for each shareholding or you merge the holdings by contacting Computershare.

IMPORTANT NOTES

The attached Frequently Asked Questions, which form part of this document, set out further details on the Sale Facility. Please read the Frequently Asked Questions before making any decision.

QX Resources and Computershare do not make any recommendation or gives any advice to you as to whether you should participate in the Sale Facility. QX Resources may modify the Sale Facility Closing Date, or may terminate or suspend the Sale Facility. Any such modification, termination or suspension will be notified by way of a market announcement on the ASX.

Information on the market price of QX Resources shares is available from the ASX website (www.asx.com.au) under ASX Code "QXR".

If you require further information, please contact the Company Secretary, Dan Smith, on (08) 9486 4036 (within Australia) or +61 8 9486 4036 (outside Australia).

Sincerely,

Dan Smith
Director & Company Secretary

THE SALE FACILITY - FREQUENTLY ASKED QUESTIONS

1. What is the Sale Facility?

QX Resources has established the Sale Facility to facilitate shareholders holding Small Shareholdings (i.e. holdings with a value of less than A\$500) in QX Resources to sell their shares. QX Resources will arrange to sell the Small Shareholdings at no cost to you, and to remit payment to you.

2. Why is the Sale Facility being offered?

QX Resources has established the Sale Facility to enable you to sell your shares cost effectively and simply, while also assisting QX Resources to reduce administrative and registry costs associated with servicing Small Shareholdings.

As at 5pm (WST) on Friday, 3 June 2022, the number of QX Resources shareholders with Small Shareholdings was 503 (being 21% of all QX Resources shareholders), with those holdings representing 0.27% of QX Resources' issued capital.

3. Does QX Resources have the right to sell my shares?

Under ASX Listing Rule 15.13 and clause 3.3 of the Company's Constitution, QX Resources may notify shareholders who hold Small Shareholdings that it intends to arrange for their shares to be sold on their behalf. This letter and the Retention Form satisfy the notice requirements under ASX Listing Rule 15.13 and clause 3.3 of the Company's Constitution.

MY ELIGIBILITY

4. What is a Small Shareholding?

A 'Small Shareholding' is a holding of QX Resources shares with a value of less than A\$500. Based on the closing price of QX Resources shares at 3 June 2022, this is a holding of 11,364 shares or less.

5. If I buy more QX Resources shares before the Closing Date, will I retain my holding?

Yes. QX Resources will not sell your shares if you increase your holding of QX Resources shares prior to the Sale Facility Closing Date, such that you no longer have a Small Shareholding on that date. Any additional shares acquired must be registered by the Sale Facility Closing Date under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Retention Form.

6. What if I sell my shares before the Sale Facility Closing Date?

If you sell your shares in QX Resources prior to the Sale Facility Closing Date, no further action will be taken.

MY PARTICIPATION

7. What are the advantages and disadvantages of selling my shares through the Sale Facility?

The following outlines the key advantages and possible disadvantages of selling your shares through the Sale Facility:

Sale Facility Advantages

- Cash payment from sale of shareholding
- No brokerage or other selling expenses
- May not be cost effective to sell holding in other ways

Sale Facility Disadvantages

- No further shareholding in QX Resources, unless you buy QX Resources shares again
- Possible capital gains tax payable following sale of holding
- The price of shares could be higher in the future
- Sale price determined by the Company, subject to a minimum sale price of no less than the simple average of the last sale prices of QX Resources on ASX for each of the 10 trading days immediately preceding the date of any offer received by the Company.

8. Do I need to pay anything if I participate in the Sale Facility?

QX Resources will pay the brokerage and handling costs associated with your participation in the Sale Facility. However, any taxation consequences arising from the sale of your shares will be your responsibility.

9. What do I have to do if I wish to retain my shares?

QX Resources will not sell your shares if you wish to retain your Small Shareholding and you complete the Retention Form included and return it to Computershare in the reply-paid envelope enclosed. Your Retention Form must be received by Computershare before **5pm (WST)** on Friday, 22 July 2022 in order to be effective. If you hold shares in multiple shareholdings, some of which are Small Shareholdings in order to retain your shares, you must submit a Retention Form for each Small Shareholding or merge the shareholdings by contacting Computershare.

10. Can I withdraw my Retention Form?

You can only withdraw your Retention Form before the Sale Facility Closing Date by sending a written request to Computershare which details your name, address and holder number (SRN or HIN) and states that you would like to withdraw your Retention Form. Your request must be signed. If your holding is in more than one name, your request must be signed by all shareholders. Your written request must be received by Computershare before the Sale Facility Closing Date in order to be effective.

11. How do I sell my shares through the Sale Facility?

If you wish to have your shares sold through the Sale Facility you do not need to do anything in response to this letter.

12. What if my shares are held in a CHESS Holding?

If your shares are in a CHESS holding and remain in a CHESS holding on 11 July 2022, your shares will be sold under the Sale Facility and QX Resources may, without further notice to you, initiate a holding adjustment to move these shares to an issuer sponsored holding or a certificated holding for the purposes of that sale.

13. How and when will my shares be sold?

Your shares will be sold by QX Resources in the ordinary course of trading at prevailing market prices following the Sale Facility Closing Date, subject to a minimum price of no less than the simple average of the last sale prices of QX Resources on ASX for each of the 10 trading days immediately preceding the date of any offer received by the Company.

14. How much will I receive for my shares?

The price that you receive for your shares under the Sale Facility will be determined by when and how the shares are sold. Pursuant to the Company's constitution, for shareholders who participate in the Sale Facility, the shares will be sold for no less than the simple average of the last sale prices of QX Resources on ASX for each of the 10 trading days immediately preceding the date of any offer received by the Company.

Neither QX Resources nor its respective agents and employees, provide any assurance as to what the sale price of the shares on the ASX will be or what price you will receive for your shares through the Sale Facility.

Information on the market price of QX Resources shares is available from the ASX website (www.asx.com.au) under ASX Code "QXR".

Shareholders using the Sale Facility are not able to nominate a sale price, sale date, nor a method for selling their shares. However, shareholders can opt out of the Sale Facility by sending in a Retention Form, and can choose to hold or sell their shares by other means. For instance, you can sell your shares on the ASX by contacting a broker.

15. How and when will the proceeds for the sale be sent to me?

The proceeds will be sent to you as soon as practicable and in any event within eight weeks of the sale. The proceeds of the sale will be deposited into the bank account noted on your holding on the register or will be sent to you by Australian dollar cheque at the address last recorded in QX Resources' register of members.

You will be notified of the number of your shares that have been sold, the sale price and the total sale proceeds payable to you. A statement will be sent by post to your address as shown in QX Resources' register of members.

Further Information

If you require further information please contact the Company Secretary, Dan Smith, on (08) 9484 4036 (within Australia) or +61 8 9486 4036 (outside Australia).

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

☎ **Phone:**
QX Resources Limited - +61 8 9486 4036

QXR

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Share Retention Form

 **If you wish to retain your shares, your form must be received by 5:00pm (WST) on Friday, 22 July 2022**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in QX Resources Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in QX Resources Limited, do not complete or return this form. If you have more than one shareholding on QX Resources Limited's register and you do not wish to sell your shares under the Unmarketable Parcel Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

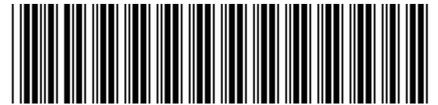
Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

QX Resources Limited Share Retention Form



I 1111111111 I ND

STEP 1 Shareholding Details

For your security keep your SRN/
HIN confidential.

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



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

Shares held as at 5:00pm (WST) on
Friday, 3 June 2022:

2000

STEP 2 Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Unmarketable Parcel Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3 Contact Details

Contact Name _____ Contact Daytime Telephone _____ Date / /

Email Address _____

Please ensure you return your completed form to the address overleaf, or alternatively, email a copy of your completed form to corpactprocessing@computershare.com.au. Please ensure only one form is attached per e-mail and please do not use this e-mail address for any other purpose.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.