

17 November 2021

QX Expands Pilbara Lithium Portfolio with Option Agreement Executed for Highly Prospective Western Shaw Lithium Project

- **Binding agreement provides QX with a 30-day option to undertake due diligence on the highly prospective Western Shaw lithium project in the Pilbara region of WA – a premium global lithium province**
- **Project consists of granted Exploration Licence E 45/4960 covering 81km² located 220km south east of Port Hedland**
- **Adds to the growing portfolio of high-quality exploration and project development lithium assets in the Pilbara region of Western Australia**
- **As well as lithium potential the project also hosts an extensive 11km strike of Banded Iron Formation (BIF) including the Garden Creek iron ore prospects originally held by Atlas Iron.**
- **Extensive sampling program to be undertaken upon execution of option**

QX Resources Limited (ASX: QXR, 'QX Resources' or 'the Company') is pleased to advise that it has entered into a binding option agreement ("Agreement") with Redstone Metals Pty Ltd ("Redstone") to acquire the highly prospective Western Shaw lithium project (E45/4960), which is also prospective for iron ore, gold and nickel mineralisation.

The 81km² project is located in the established Pilbara lithium province, Western Australia 220km south east of Port Hedland with access via the Great Northern Highway (**Figure 1**). The Agreement is further evidence of QXR aggressively building its portfolio of exploration tenements in the Pilbara region which are prospective for lithium and other minerals. Western Shaw is larger and more advanced than the recently announced Turner River prospects given it is already a granted exploration licence with historical exploration results. The main attraction of Western Shaw is a large area in the centre exhibiting all the right geological attributes to host lithium-caesium-tantalum ("LCT") pegmatites.

Lithium Potential

Covering part of an Archaean granite-greenstone terrain in the Pilbara Block, Western Shaw is located in a region which has seen previous exploration work uncover numerous LCT pegmatites. It lies at the southern end of the Western Shaw Greenstone Belt which is adjoined to the east by the Shaw Batholith and to the west by the Yule Batholith. It consists of mafic volcanic rocks interlayered with subordinate ultramafic rocks, chert/quartzite and iron formation (Warrawoona Group and Gorge Creek Group).

Other tenements in the Tambourah area adjoining and adjacent to E 45/4960 have recorded pegmatites and Tambourah Metals recently reported on exploration to identify the lithium potential of pegmatites within their areas at Tambourah.

Iron Ore Potential

Western Shaw is also located in a proven iron ore province with significant historical exploration work undertaken. The Fortescue Metals and Roy Hill railway infrastructure is located less than 10km southwest of the project and BHP railway infrastructure is 25km southwest of the tenement. The project contains a 11km strike of banded iron formation (**see Figure 2**).

Agreement Terms

The binding option agreement executed between QX Resources and Redstone has seen an initial option fee of \$50,000 been paid. The fee provides the Company with a 30-day exclusivity period to undertake due diligence on the Western Shaw project.

In the event that QX Resources chooses to exercise the option over the project, QX will pay an additional \$50,000 as well as the issuance of 40 million fully paid shares in the Company to Redstone (or its nominee) in consideration for 100% of the project. The transaction is subject to shareholder approval given the proposed issue of shares currently exceeds the Company's placement capacity.

Comment

QX Chairman Maurice Feilich said: *“Western Shaw is an outstanding exploration opportunity for QX and strengthens our asset base in the Pilbara where we are intent on consolidating a portfolio of quality lithium-focused projects. Should we execute this option agreement and given this is a granted EL, we anticipate immediately commencing first pass exploration activity to define further mineralisation.*

“As well as the lithium potential, Western Shaw's extensive iron ore mineralisation offers further upside given a proven and identified 11km banded iron formation with outstanding historical samples and multiple outcrops. This is a great step up in strategy to expand our portfolio of development and exploration assets in Western Australia and Queensland. The work at our gold and molybdenum projects in Queensland is continuing uninterrupted and we look forward to updating shareholders here very soon on progress.”

Legal and technical due diligence on the Western Shaw Exploration Licence is underway.

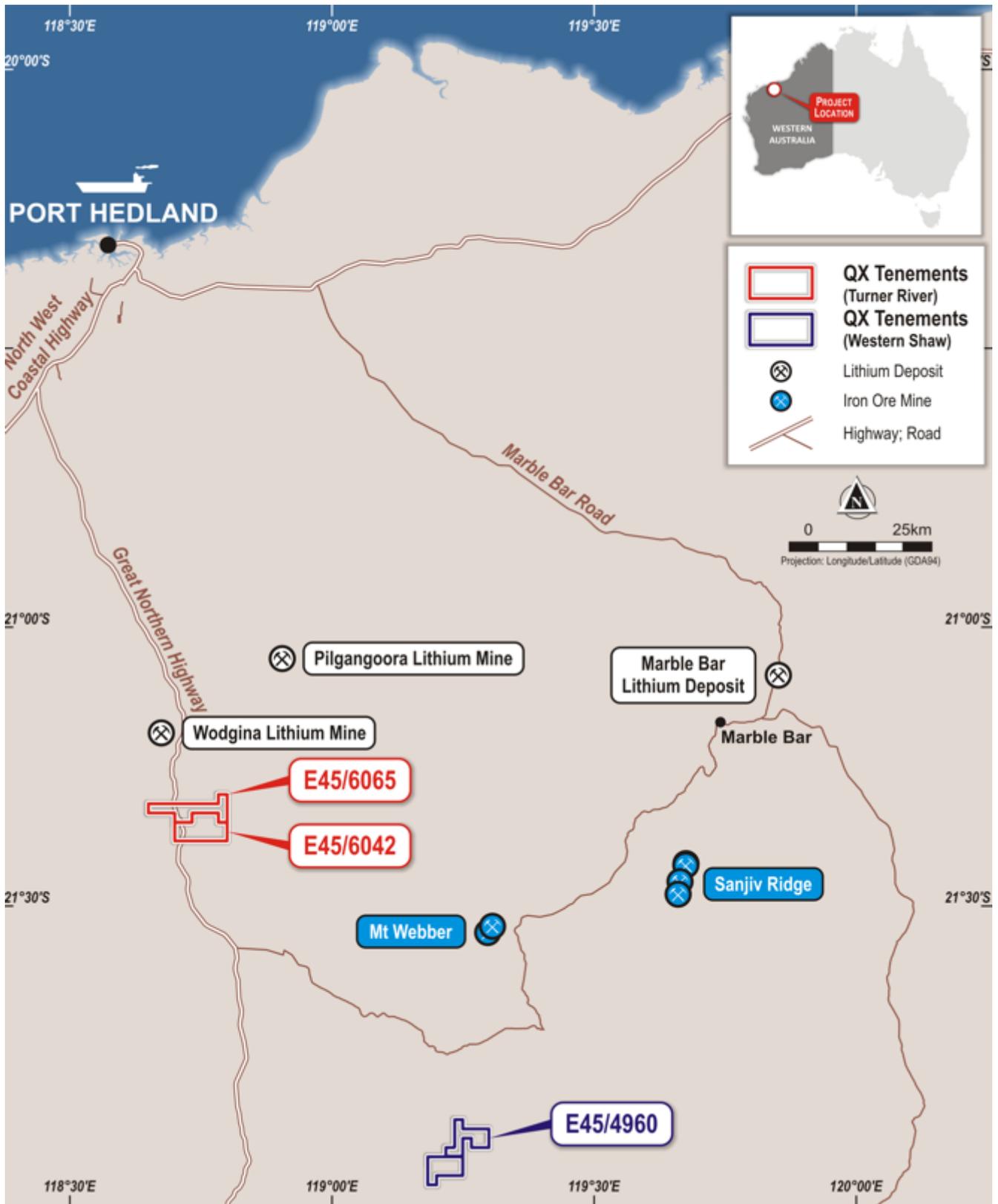


Figure 1: Western Shaw EL 45/4960 tenement location

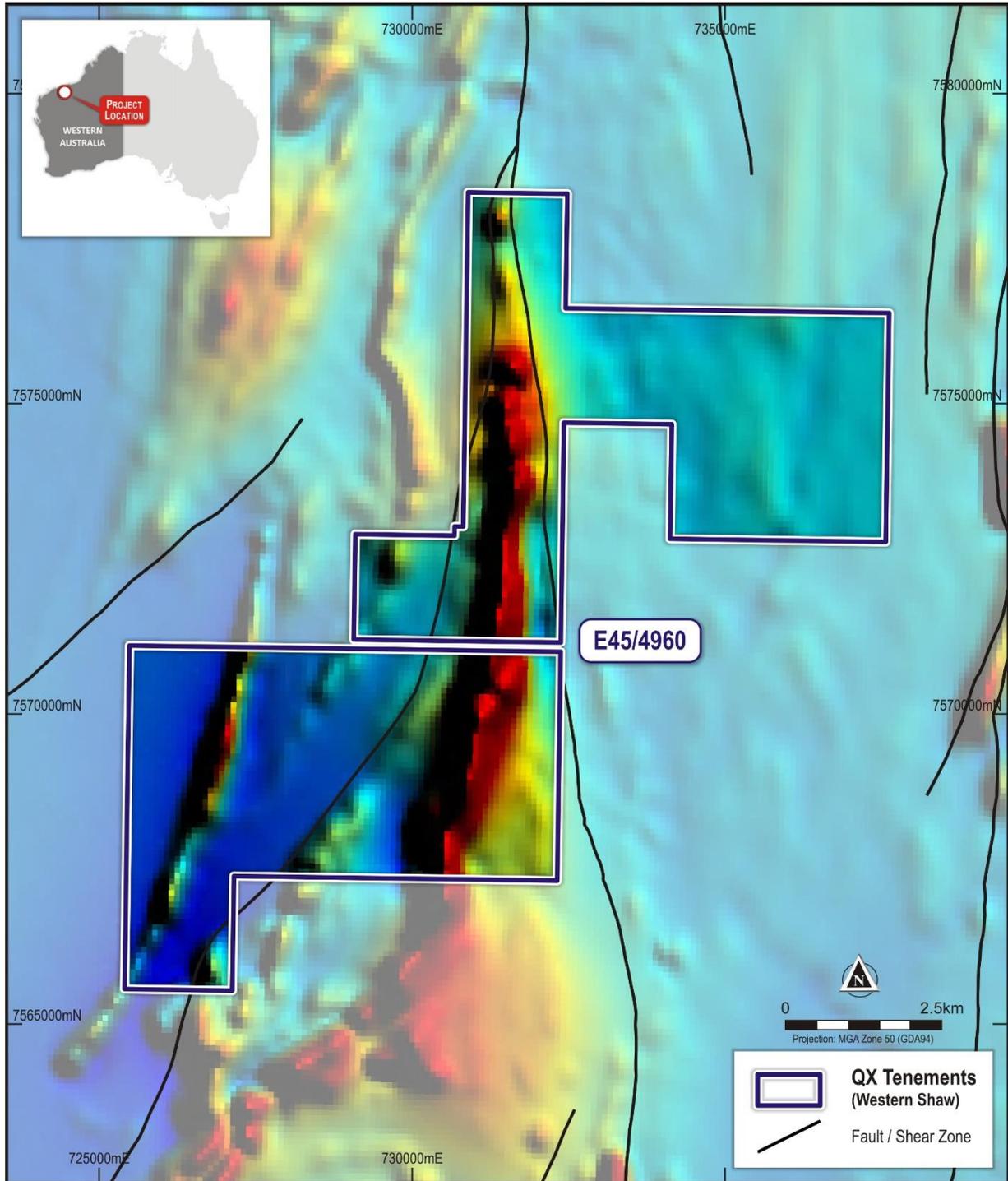


Figure 2: Western Shaw project over regional magnetics, highlighting the north-south striking banded iron formation

Authorised by the Board of QX Resources Limited.

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

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr. Roger Jackson, a Director and Shareholder of the Company, who is a 25+ year Fellow 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.

Forward Looking Statements and Important Notice

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 Resources' control.

Actual results and developments will almost certainly differ materially from those expressed or implied. QX Resources 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 Resources 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.

Appendix A: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Drilling techniques	<ul style="list-style-type: none"> N/A. No previous drilling reported in the announcement.
Drill sample recovery	<ul style="list-style-type: none"> N/A. No previous drilling reported in the announcement.
Logging	<ul style="list-style-type: none"> N/A. No previous drilling reported in the announcement.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Verification of sampling and assaying	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Location of data points	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Data spacing and distribution	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Sample security	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.
Audits or reviews	<ul style="list-style-type: none"> N/A. No sampling reported in the announcement.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The tenement discussed in this report (ELA 45/4960) is held by Redstone Metals Pty Ltd.
Exploration done by other parties	<ul style="list-style-type: none"> Limited exploration has been undertaken across the tenement areas by previous explorers.
Geology	<ul style="list-style-type: none"> The style of mineralisation is unknown at this stage. It lies at the southern end of the Western Shaw Greenstone Belt which is adjoined to the east by the Shaw Batholith and to the west by the Yule Batholith. It consists of mafic volcanic rocks interlayered with subordinate ultramafic rocks, chert/quartzite and iron formation (Warrawoona Group and Gorge Creek Group).
Drill hole information	<ul style="list-style-type: none"> N/A. No drill hole information contained within the release
Data aggregation methods	<ul style="list-style-type: none"> N/A. No drill hole information contained within the release
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> N/A. No drill hole information contained within the release
Diagrams	<ul style="list-style-type: none"> Refer body of the text
Balanced reporting	<ul style="list-style-type: none"> Reporting of results in this report is considered balanced.

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Criteria	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.
<i>Further work</i>	<ul style="list-style-type: none">Follow up work program will be subject to interpretation of recent and historic results which is ongoing.