

# QX Resources Limited

10 May 2023

## MINING LICENCE APPLICATION FOR ADVANCED 'ANTHONY' MOLYBDENUM DEPOSIT

### HIGHLIGHTS:

- QX Resources intends to commence a Mining Lease application over the advanced-stage 'Anthony' Molybdenum deposit in Central Queensland.
- The Anthony Deposit has been previously upgraded to a JORC-2012 compliant Indicated and Inferred Mineral Resource estimate of 24,700 tonnes (53.7 million pounds) of contained molybdenum in sulphide, transition (partial oxide) and oxide zones from surface.
- Development plans coincide with strong market conditions for Molybdenum prices globally, which traded at US\$100/kg (US\$45/lb) in February 2023 – a 17-year high
- The application will include an appraisal of several open pit mining and processing scenarios.
- The Anthony Deposit is well located to key infrastructure, adjacent to major sealed roads and near rail and energy support.

QX Resources Limited (ASX:QXR, 'QXR') confirms its intention to commence a formal application for a Mining Lease to advance development at the Company's 'Anthony' Molybdenum (Mo) project in Central Queensland.

Anthony is an advanced-stage pure Mo deposit, located in a Tier-1 jurisdiction, adjacent to major sealed roads and near rail and energy support.

In 2021, the Mineral Resource Estimate (MRE) at Anthony was upgraded to JORC Code 2012, with an emphasis on recoverable resources from the near-surface oxidised part of the deposit (*refer ASX Announcement 18 October 2021 and Table 2*).

- Indicated and Inferred Resources for the Oxide domain (using a 400ppm Mo cut-off) total 17.5Mt @ 520ppm Mo (contained Mo 9,100 tonnes / 20.1 million lbs)
- Indicated and Inferred Resources for the Sulphide domain (using a 600ppm Mo cut-off) total 17.4Mt @ 780ppm Mo (contained Mo 13,600 tonnes / 29.9 million lbs)
- Indicated and Inferred Resources for the Transition (partially oxidized) domain (using a 600ppm Mo cut-off) total 2.1Mt @ 790ppm Mo (contained Mo 1,700 tonnes / 3.7 million lbs).
- Total Indicated and Inferred Resource of 24,700 tonnes (53.7 million lbs) of contained molybdenum in sulphide, transition (partial oxide) and oxide zones from surface.

**QXR Managing Director Stephen Promnitz stated:** *"Molybdenum is considered a critical mineral by Queensland's Dept of Natural Resources and Mines. This development approach is consistent with QXR's focus on the battery materials and critical materials supply chain. The decision to commence a Mining Lease application followed a detailed review of the existing Mineral Resource Estimate. Anthony is well located, with mineralisation from surface, uniquely placed as an advanced-stage molybdenum project in geographical proximity to major Asian markets. Future progress will focus on development pathways including high grade starter pits."*

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**QX Resources Chairman Maurice Feilich said:** *“Molybdenum prices are at the highest level for over a decade due to deep structural supply/demand gaps, so the timing is right for the development of an advanced deposit. The market is looking for molybdenum projects in Tier 1 jurisdictions with good infrastructure.”*

## Molybdenum

Molybdenum (Mo), commonly referred to as “moly”, has been used primarily in the steel industry, as an alloy to strengthen structural steel industry and in high-nickel stainless steel, and as a catalyst in the chemical industry. There has been a significant increase in infrastructure projects increasing demand for structural steel globally, together with defence applications. Recent demand has also come from renewable energy technologies, where moly is used in wind turbines, with one megawatt of output requiring 130 kg Mo. For example, a typical offshore turbine of 12MW requires 1.5 tonnes of molybdenum. Outside China, there are only two pure moly “plays” in operation, both in Colorado USA, operated by Freeport-McMoRan (NYSE: FCX).

## Market trends

Global market conditions for Molybdenum have strengthened significantly recently. Amid a tighter supply environment, benchmark ferromolybdenum prices in Europe rose above US\$100/kg<sup>1</sup> (US\$45/lb) in February 2023, a 17-year high, and trading continues above US\$55/kg (US\$27/lb). Asian ferromolybdenum prices also peaked in early February between US\$94-\$96/kg – the highest level since Platts Asia commenced in weekly pricing index in 1987.

Factoring in the positive macro environment for Mo prices and the upgraded Mineral Resource Estimate, the decision to pursue a Mining Licence application for the Anthony deposit reflects the increased confidence of the QXR management team that it has an opportunity to bring the project through to development. Analysts have attributed the recent spike in support for Molybdenum prices to several supply and demand factors, as opposed to a single disruptive event.

On the supply side, a lack of new investment has been cited as one such catalyst, where a dearth of planning and approvals activity over the past 5+ years globally has left no new mines in an advanced stage of development. The early-2023 price spike was also exacerbated by production disruptions at large copper operations in South America, especially Chile, where molybdenum is produced as a secondary output.

On the demand-side, major infrastructure projects have increased demand for structural steel and strong oil prices have provided consistent support for moly-bearing carbon steel used in off-shore drill rigs. Recent demand has come from renewable energy technologies, where moly is used in wind turbines, similar to the increased demand for rare earth elements (REE).

Asia-based demand also rebounded strongly in February, where the rebound in Chinese demand was stronger than analysts expected following the Lunar New Year holiday, with broader demand expected to stay strong amid the easing of COVID-19 restrictions.

<sup>1</sup> S&P Global Commodity Insights “4 key factors driving the ‘perfect storm in molybdenum markets”

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## The Anthony Mo Deposit

The Anthony Molybdenum deposit is located approximately 70km northwest of Clermont and 810km northwest of Brisbane, next to the Gregory Development Road

The Anthony Molybdenum deposit is covered by EPMs (Exploration Permit for Minerals) 15145 and 14790, held 100% by Zamia Resources Pty Ltd, under an earn-in agreement between QXR and Zamia Metals Limited (**Zamia**) announced on 1 July 2020, where QXR currently owns a 70% interest.

Zamia previously announced a Mineral Resource Estimate for the Anthony deposit on 15 March 2012<sup>1</sup>. The 2012 MRE was prepared by Hellman & Schofield Pty Ltd (H&S) and was reported under the JORC Code 2004.

In 2021, QXR commissioned Geos Mining, Minerals Consultants, to update the MRE in accordance with the principles and guidelines of the JORC Code 2012, with emphasis on the near-surface oxidized part of the deposit.

A summary of the methodology used in the upgraded MRE was outlined in the ASX Announcement on 18 October 2021.

Table 1 presents the estimated Mineral Resources for the Oxide domain. A cut-off grade of 400ppm Mo was selected, based on preliminary assessments of mining and processing costs.

| DOMAIN >>      | OXIDE                  |             |            |
|----------------|------------------------|-------------|------------|
| Classification | Cut-Off Grade (Mo ppm) | Tonnes (Mt) | Mo (ppm)   |
| Indicated      | 400                    | 17.3        | 521        |
| Inferred       | 400                    | 0.1         | 452        |
| <b>TOTAL</b>   | <b>400</b>             | <b>17.5</b> | <b>520</b> |

Table 1: Mineral Resources Estimate (JORC 2012) for the Anthony Oxide domain at 400ppm Mo cut-off (see full Mineral Resource Estimate in Table 2)

## Reasonable Prospects for Eventual Economic Extraction

The Mineral Resources for the Oxide domain are considered to have reasonable prospects for eventual economic extraction given the access to critical infrastructure, the tonnage and grade of the mineralization and results of preliminary mining assessments and metallurgical test work. The Mineral Resources for the Transition and Sulphide domains are also considered to have reasonable prospects for eventual economic extraction, although further work is required to determine mining and metallurgical processes and costs.

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## Expansion Potential and Exploration Upside

Potential exists for high grade starter pits for the project. Infill drilling in the two higher grade zones has the potential to expand and define higher grade zones where development could commence for an earlier economic return.

Exploration upside exists in another look-alike deposit, the Creek prospect, 30km to the south west. Magnetics show a ring-like intrusion typical of porphyry systems like Anthony, with moly-copper-gold potential. Surface sampling has previously identified elevated Cu-Mo-Au values but significant drilling potential exists to define a new satellite deposit for an operation. Past shallow drilling targeted the magnetic 'high' instead of the adjacent magnetic 'low', which is the pattern identified at the Anthony deposit.

## Next Steps

Metallurgical test work has been ongoing, characterising the oxide material to further establish the project economics for a pathway to development, including assessing high grade starter pits.

The process for the mining lease applications includes the following steps:

- a) Formal application to the regulator and public notification with development plans
- b) Notify landholders regarding the application together with particulars;
- c) Access agreements and landholder compensation agreement;
- d) Address native title requirements; and
- e) Standard Environmental Authority

Authorised by the Board of QX Resources Limited.

## Further information:

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**Image 1: Anthony Mo Deposit - Example of molybdenum mineralisation in oxide/transition zone**



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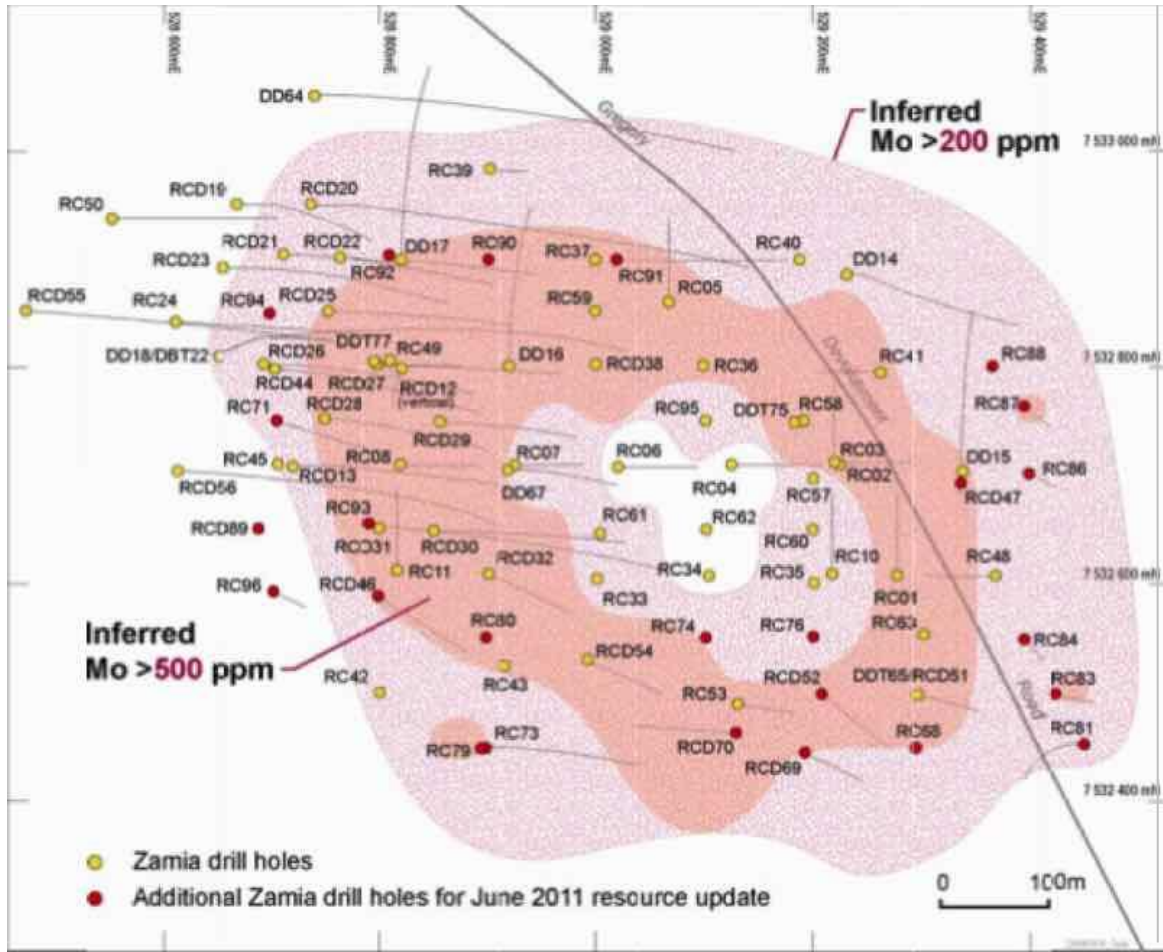


Image 2: Anthony Mo Deposit Overview - historical drill locations; high-grade (>500 ppm) Mo zone

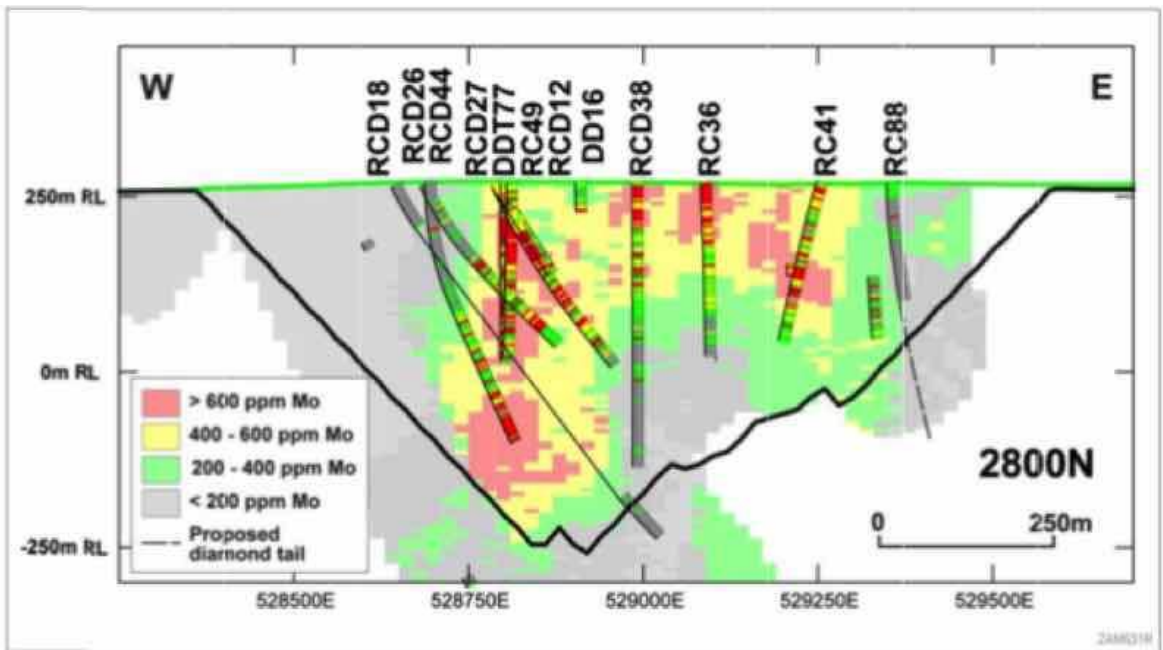


Image 3: Anthony Mo Deposit – East-west drill section at 7 532 800N (Zamia Metals Limited, June 2011)

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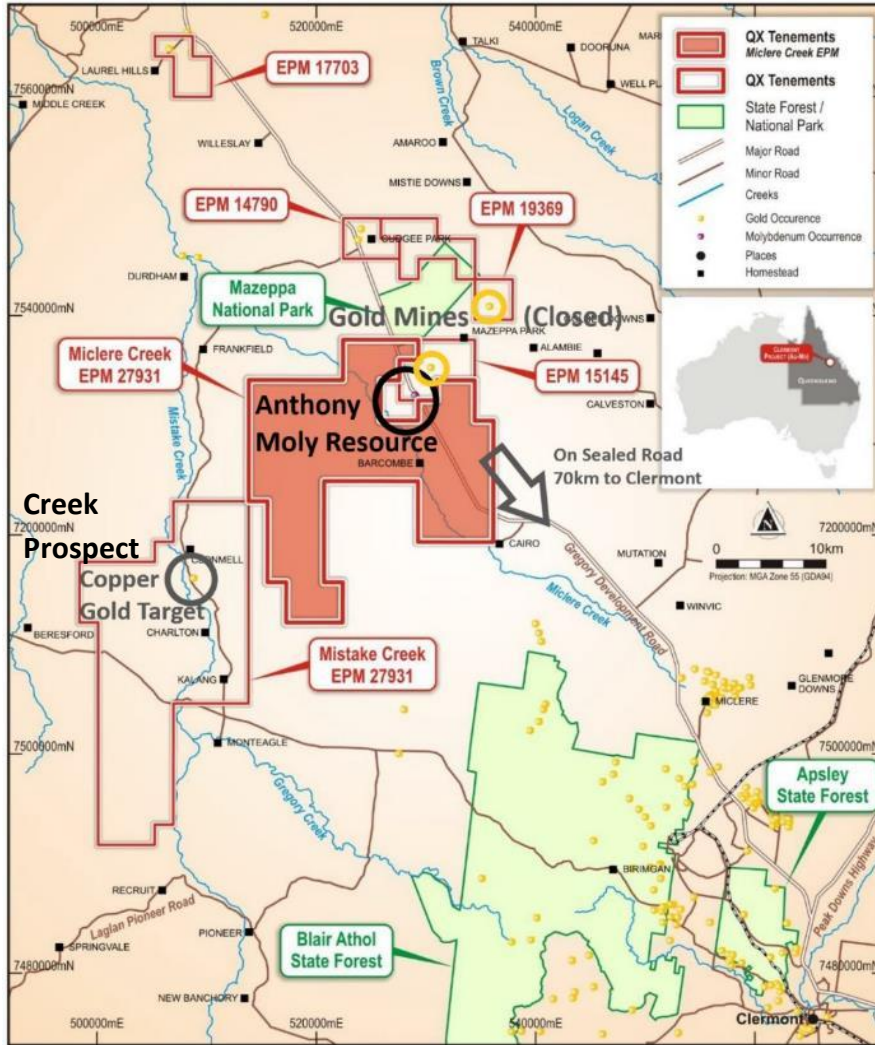


Figure 1: Location of Anthony Mo deposit and other QXR projects in Central Queensland

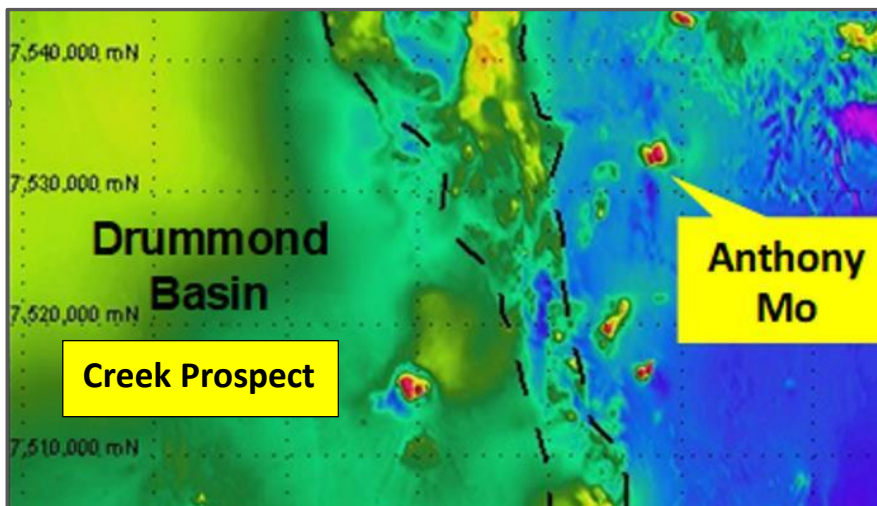


Figure 2: Location of Anthony Mo deposit over regional magnetics (RTP) showing Creek Prospect as a look-alike in magnetics

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**Table 2: MINERAL RESOURCE ESTIMATE (JORC 2012) – ANTHONY Mo DEPOSIT**

| DOMAIN >>        | OXIDE              |             | TRANSITION |            | FRESH      |             |            |
|------------------|--------------------|-------------|------------|------------|------------|-------------|------------|
| Classification   | CutOff Grade (ppm) | Tonne (Mt)  | Mo (ppm)   | Tonne (Mt) | Mo (ppm)   | Tonnes (Mt) | Mo (ppm)   |
| <b>Indicated</b> | 0                  | 77.0        | 271        | 34.6       | 273        | 192.0       | 276        |
|                  | 100                | 60.2        | 334        | 26.4       | 346        | 144.2       | 352        |
|                  | 200                | 49.0        | 377        | 21.        | 387        | 106.3       | 424        |
|                  | 300                | 32.6        | 441        | 14.1       | 462        | 72.9        | 505        |
|                  | <b>400</b>         | <b>17.3</b> | <b>521</b> | <b>8.0</b> | <b>555</b> | <b>48.4</b> | <b>586</b> |
|                  | 500                | 8.2         | 606        | 3.8        | 676        | 29.1        | 679        |
|                  | 600                | 3.6         | 691        | 2.1        | 789        | 16.7        | 777        |
| <b>Inferred</b>  | 0                  | 6.0         | 156        | 3.6        | 154        | 29.7        | 188        |
|                  | 100                | 3.1         | 255        | 2.0        | 244        | 18.0        | 283        |
|                  | 200                | 2.2         | 304        | 1.5        | 275        | 12.0        | 353        |
|                  | 300                | 1.0         | 363        | 0.5        | 351        | 6.2         | 450        |
|                  | <b>400</b>         | <b>0.1</b>  | <b>452</b> |            |            | <b>3.3</b>  | <b>546</b> |
|                  | 500                | 0.03        | 550        |            |            | 1.6         | 664        |
|                  | 600                |             |            |            |            | 0.8         | 789        |
| <b>Total</b>     | 0                  | 83.1        | 263        | 38.2       | 262        | 221.7       | 264        |
|                  | 100                | 63.3        | 330        | 28.5       | 339        | 162.2       | 344        |
|                  | 200                | 51.2        | 373        | 23.3       | 380        | 118.3       | 417        |
|                  | 300                | 33.6        | 438        | 14.6       | 459        | 79.2        | 501        |
|                  | <b>400</b>         | <b>17.5</b> | <b>520</b> | <b>8.0</b> | <b>554</b> | <b>51.8</b> | <b>583</b> |
|                  | 500                | 8.2         | 606        | 3.8        | 676        | 30.7        | 678        |
|                  | 600                | 3.6         | 691        | 2.1        | 789        | 17.4        | 778        |

## Competent Person Statement

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Murray Hutton, Principal Consultant of Geos Mining and a Member of the Australia Institute of Geoscientists. Mr Hutton has sufficient experience, relevant to the style of mineralization and type of deposit under consideration and to the activity that he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code of for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2012). Murray Hutton consents to the disclosure of information in this report in the form and context in which it appears.

## Previous ASX Announcements referred to in this release

1. QXR ASX Announcement: 18 October 2021
2. QXR ASX Announcement and Zamia Metals Limited: 1 July 2020.
3. ASX Announcement Zamia Metals Limited: 20 June 2011 and 15 March 2012.

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## Appendix 1 - JORC Code, 2012 Edition – Table 1

### Section 1 - Sampling Techniques and Data

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

| Criteria                   | Commentary  |
|----------------------------|---|
| <i>Sampling techniques</i> | <p><b>Historical exploration 1977-1991</b></p> <ul style="list-style-type: none"> <li>• Sampling mainly limited to rock chip sampling focussing on base metals.</li> <li>• 1 percussion hole (QHP1) was drilled in the mid-1980s at Anthony looking for gold mineralisation but results were not encouraging.</li> </ul> <p><b>CRA Exploration (1991-1994)</b></p> <ul style="list-style-type: none"> <li>• Conducted 1:5000 scale mapping &amp; rock sampling assaying for Au, As, Cu, Pb, Mn, Zn, Fe &amp; Mo.</li> <li>• Results were not encouraging for all but Cu (up to 540ppm) &amp; Mo (up to 800ppm).</li> <li>• Drilling involved both Aircore (16 holes) &amp; RC (7 holes) to test bedrock below Mo soil/surface anomalies</li> <li>• QAQC was limited to minor duplicate samples &amp; unidentified Standards (no corresponding grade recorded).</li> </ul> <p><b>Cyprus Gold (1995-1996)</b></p> <ul style="list-style-type: none"> <li>• Cyprus completed a 66 sample soil sampling program focussing on gold mineralisation</li> <li>• Cyprus identified a 1,100m by 300m Au soil anomaly.</li> <li>• This was followed by a 4 hole RC drill program that identified trace disseminated pyrrhotite and chalcopyrite.</li> <li>• No records of the sampling techniques or QAQC work are available</li> </ul> <p><b>Zamia (2008 – present)</b></p> <ul style="list-style-type: none"> <li>• Zamia has completed soil and rock chip sampling programs across the Anthony prospect, focussing on Mo mineralisation</li> <li>• Zamia has completed 103 (RC, RC/diamond &amp; diamond) drillholes for 32,364 metres</li> <li>• Samples were assayed using either ICP, XRF or both.</li> <li>• QAQC sampling protocols were carried out to the standard of the time.</li> </ul> |
| <i>Drilling techniques</i> | <p><b>Historical Drilling</b></p> <ul style="list-style-type: none"> <li>• 16 aircore drillholes to test bedrock geochemistry (9-72m depth).</li> <li>• 11 RC drillholes to test for deeper mineralisation (75–141m depth)</li> <li>• Drilling diameters not recorded.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>• 48 RC holes (10,533 metres) <ul style="list-style-type: none"> <li>○ RC bit diameter either 5" or 5<sup>1</sup>/<sub>2</sub>" hammer</li> <li>○ RC rigs either Schramm 450 or Hanjin.</li> <li>○ Sampling was by splitter</li> </ul> </li> <li>• 37 RCD holes (7,339 metres RC &amp; 8,853 metres diamond). <ul style="list-style-type: none"> <li>○ RC bit diameter either 5" or 5<sup>1</sup>/<sub>2</sub>" hammer.</li> <li>○ Diamond bit diameter HQ2/NQ, NQ2 or NQ.</li> </ul> </li> <li>• 10 Diamond holes (5,639.3 metres) <ul style="list-style-type: none"> <li>○ Drilling diameters: HQ3, HQ, HQ2/NQ or HQ/NQ2</li> <li>○ Drill rigs used: UDR650, Atlas Copco U8 or Coretech KL880</li> </ul> </li> <li>• Core orientation data was not supplied.</li> </ul>   |

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| Criteria  | Commentary  |
|---|---|
| <i>Drill sample recovery</i>                          | <p><b>Historical Exploration</b></p> <ul style="list-style-type: none"> <li>No records are available.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Percentage of recovery was defined by sample weight for RC drilling &amp; by measuring produced core's length vs drill run's length for diamond drilling.</li> <li>All measurements were done on site.</li> <li>No records are available for any special measures being taken to maximise sample recovery.</li> </ul>  |
| <i>Logging</i>  | <p><b>Historical Exploration</b></p> <ul style="list-style-type: none"> <li>No records are available.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>All holes were logged by qualified geologists at drilling site.</li> <li>No geotechnical studies have been supplied.</li> <li>No qualitative logging has been supplied.</li> <li>Only quantitative (spreadsheet) logging has been sighted</li> <li>No core photography has been sighted.</li> </ul>  |
| <i>Sub-sampling techniques and sample preparation</i> | <p><b>Historical Exploration</b></p> <p>No records are available</p> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Core cut using a diamond core saw though no size (<math>1/2</math> or <math>1/4</math> core) not recorded.</li> <li>No sample preparation records supplied.</li> <li>A QA/QC procedure of sample preparation were implemented but no procedure has been sighted.</li> <li>The Blanks and Duplicates, and Standard samples were inserted for QA/QC, approximately at 1 in 33 samples .</li> </ul>   |
| <i>Quality of assay data and laboratory tests</i>     | <p><b>CRAE Drilling</b></p> <ul style="list-style-type: none"> <li>During 1993 CRAE submitted their samples to ALS laboratory for assaying</li> <li>Au was analysed using the PM209 technique</li> <li>Ag, As, Bi, Cu, Mo, Pb, Sb &amp; Zn were analysed using the IC581 technique.</li> <li>The rest of CRAE's drilling was submitted to ANALABS in Townsville.</li> <li>Au was analysed using the GG334 method.</li> <li>Ag, Cd, Co, Cu, Fe, Mn, Mo, P, Pb &amp; Zn were analysed using the GI115 method.</li> <li>As, Bi &amp; Sb were analysed using the HA115 method</li> <li>CRAE submitted 7 duplicate samples.</li> <li>CRAE submitted 24 standards, but no information is available to what grade they should be.</li> </ul> <p><b>Cyprus Gold Drilling</b></p> <ul style="list-style-type: none"> <li>Cyprus samples were submitted to ALS Townsville.</li> <li>Au was analysed using the PM209 technique</li> <li>Ag, As, Bi, Cu, Mo, Pb, Sb &amp; Zn were analysed using the IC581</li> </ul> |

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| Criteria   | Commentary   |
|--|--|
|  | <p>technique</p> <ul style="list-style-type: none"> <li>No records are available for QAQC sampling by Cyprus.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>All of Zamia's samples were submitted to ALS laboratory.</li> <li>Au samples were analysed using the Au-AA21 method.</li> <li>Mo &amp; base metals were a mixture of ICP &amp; XRF analysis methods &amp; techniques.</li> </ul>  |
| <i>Verification of sampling and assaying</i>                   | <p><b>Historical Drilling</b></p> <ul style="list-style-type: none"> <li>Primary data was sourced from open QLD Govt annual reports</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Preliminary logging was done by site geologists in "hand" and later entered to Excel spreadsheets by geologists.</li> <li>All data were prepared in accordance with prepared procedure of Zamia.</li> <li>No twinned holes have been drilled at Anthony.</li> <li>Zamia submitted random check assays to a 2<sup>nd</sup> lab, but no effort was made to check significant intersections.</li> </ul>  |
| <i>Location of data points</i>                                 | <p><b>Historical Drilling</b></p> <ul style="list-style-type: none"> <li>Coordinates for the drillholes were sourced from open QLD Govt annual reports.</li> <li>Coordinate projection was assumed to be AMG84 zone 55.</li> <li>Zamia has converted the coordinates into GDA94 zone 55.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Coordinates for the drillholes was supplied by Zamia in Excel spreadsheet in GDA94 zone 55 projection.</li> <li>Zamia defined the coordinates with both handheld and differential GPS's.</li> <li>Geos Mining confirmed several Zamia holes with a Garmin 'GPSmap 62c' handheld unit.</li> </ul> |
| <i>Data spacing and distribution</i>                           | <p><b>Historical Drilling</b></p> <ul style="list-style-type: none"> <li>A nominal drill spacing of 200 metre spaced drill lines with a 100 metre drillhole spacing.</li> <li>The spacing was suitable for 1<sup>st</sup> pass exploration but not for MRE requirements.</li> <li>Samples were composited.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Drillhole spacing ranges between 50 and 100 metres.</li> <li>2 &amp; 3 metre sample compositing of RC drilling applied.</li> <li>Data spacing is considered adequate to generate Indicated Resources.</li> </ul>   |
| <i>Orientation of data in relation to geological structure</i> | <p><b>Historical Exploration</b></p> <ul style="list-style-type: none"> <li>Unknown.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Majority of the drilling was either orientated east-west or vertical to limit sampling bias.</li> <li>Minor number of holes orientated to the north to check secondary mineralisation.</li> </ul>  |
| <i>Sample security</i>   | <p><b>Historical Exploration</b></p> <ul style="list-style-type: none"> <li>Unknown.</li> </ul>  |

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| Criteria                 | Commentary  |
|--------------------------|---|
|                          | <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Unknown.</li> </ul>   |
| <i>Audits or reviews</i> | <p><b>Historical Exploration</b></p> <ul style="list-style-type: none"> <li>Unknown.</li> </ul> <p><b>Zamia Drilling</b></p> <ul style="list-style-type: none"> <li>Unknown.</li> </ul> |

## Section 2 - Reporting of Exploration Results

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

| Criteria                                       | Commentary   |
|--|--|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li>The Anthony Mo project is located on 2 EPMs held by Zamia Resources Pty Ltd. <ul style="list-style-type: none"> <li>EPM14790</li> <li>EPM15145</li> </ul> </li> <li>No mineral tenement information provided to Geos Mining</li> </ul>  |
| <i>Exploration done by other parties</i>       | <p><b>Historical Exploration 1977-1991</b></p> <ul style="list-style-type: none"> <li>The Anthony Mo project was held by several companies whose work was limited to mapping, soil and rockchip sampling, geophysics &amp; 1 or 2 drillholes.</li> <li>Sampling highlighted anomalous Mo (800ppm Mo)</li> <li>Geophysics included: <ul style="list-style-type: none"> <li>Ground Magnetics</li> <li>Time-domain electromagnetics (TEM)</li> <li>Dipole-dipole IP</li> </ul> </li> </ul> <p><b>CRA Exploration</b></p> <ul style="list-style-type: none"> <li>CRAE continued mapping &amp; sampling programs</li> <li>Drilled 23 Aircore or RC holes (1,407 metres) targeting Cu, Mo &amp; base metal anomalies.</li> <li>Sampling of the drilling highlighted anomalous Mo (up to 854ppm Mo)</li> </ul> <p><b>Cyprus Gold</b></p> <ul style="list-style-type: none"> <li>Cyprus conducted ground magnetic geophysics, soil sampling and 4 RC drillholes targeting Au mineralisation.</li> <li>The results were not encouraging for Cyprus to continue exploration</li> </ul> |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li>The Anthony deposit is a buried magmatic intrusive complex which is interpreted to be part of a suite of intrusions responsible for the mineralisation at the Anthony porphyry molybdenum deposit.</li> <li>Zamia's drilling indicates that the Mo mineralisation is developed within, and marginal to, a suite of non-magnetic, variably porphyritic monzonite, quartz-monzonite and minor granites intruding the Cambrian-age metamorphic rocks of the Anakie Group.</li> </ul>   |

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| Criteria  | Commentary   |
|---|--|
| <i>Drill hole Information</i>   | <ul style="list-style-type: none"> <li>Included in Appendix 2.</li> </ul>  |
| <i>Data aggregation methods</i>   | <ul style="list-style-type: none"> <li>No exploration results being reported.</li> </ul>   |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <li>Exploration drill intercepts are not being reported.</li> <li>Where possible drilling was oriented either to the east or vertical to minimise biasing the mineralisation intercepts.</li> </ul> |
| <i>Diagrams</i>   | <ul style="list-style-type: none"> <li>No exploration results being reported.</li> </ul>   |
| <i>Balanced reporting</i>   | <ul style="list-style-type: none"> <li>No exploration results being reported.</li> </ul>   |
| <i>Other substantive exploration data</i>                               | <ul style="list-style-type: none"> <li>No exploration results being reported.</li> </ul>   |
| <i>Further work</i>   | <ul style="list-style-type: none"> <li>No further work is planned at this stage, pending decision to proceed with mine development.</li> </ul>   |

## Section 3 - Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

| Criteria                         | Commentary   |
|----------------------------------|--|
| <i>Database integrity</i>        | <ul style="list-style-type: none"> <li>Drillhole data has been manually checked by comparison of digital data in Excel spreadsheets with scanned drillhole logs.</li> </ul>  |
| <i>Site visits</i>               | <ul style="list-style-type: none"> <li>Murray Hutton visited the Anthony project site on 17-19 October 2016 and inspected diamond core at Zamia's Clermont site.</li> </ul>  |
| <i>Geological interpretation</i> | <ul style="list-style-type: none"> <li>Geological interpretation is well-understood. However, the distribution of molybdenum bearing stockwork is discontinuous.</li> <li>Interpretation based on limited geological logging of drill core and interpretations drawn on drilling cross-sections.</li> <li>Geological domains not used to define mineralisation zones.</li> <li>Continuity of both grade and geology affected by discontinuous and patchy nature of stockwork development within the porphyry lithologies.</li> </ul> |
| <i>Dimensions</i>                | <ul style="list-style-type: none"> <li>Block model dimensions defined by extent of mineralisation within the resource drillholes.</li> <li>1,000m E-W x 850m N-S (down-dip) x 775m RL</li> <li>Top of block model was intercepted with topography &amp; a ratio of the blocks below the surface was recorded.</li> </ul>   |



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| Criteria   | Commentary  |
|--|---|
| <i>Estimation and modelling techniques</i>         | <ul style="list-style-type: none"> <li>• Drillhole assays were composited over 3m intervals, which smoothed out extreme grade values that tended to be within narrow intervals.</li> <li>• A top cut of 1,200ppm Mo was applied.</li> <li>• Block model dimensions (25m E-W x 25m N-S x 5m RL) based on orientation of the mineralisation, drillhole sampling intervals and proposed selective open pit mining techniques</li> <li>• Estimation utilised Ordinary Kriging with search ellipsoid dimensions determined from semi-variogram analysis of the drilling data.</li> <li>• Kriging software was Micromine 2018.</li> <li>• Block grades checked against drillhole intercepts on E-W and N-S cross-sections.</li> <li>• Geological interpretation and semi-variogram analysis used to define the orientation and parameters of the search ellipsoid.</li> </ul> |
| <i>Moisture</i>                                    | <ul style="list-style-type: none"> <li>• Tonnages estimated on a dry basis.</li> <li>• No Moisture content information is available</li> </ul>  |
| <i>Cut-off parameters</i>                          | <ul style="list-style-type: none"> <li>• Tonnage / grade values estimated at cut-off grades from 100ppm to 600ppm Mo.</li> <li>• A 400ppm Mo cut-off grade was used for the reported Mineral Resources based on metallurgical testwork and assumptions of likely mining / processing costs.</li> </ul>  |
| <i>Mining factors or assumptions</i>               | <ul style="list-style-type: none"> <li>• Proposed mining methods are open pit, utilising large scale modern diesel equipment that will allow for minimal dilution.</li> </ul>   |
| <i>Metallurgical factors or assumptions</i>        | <ul style="list-style-type: none"> <li>• Metallurgical assumptions have been based on reports and studies carried out by Zamia &amp; supplied to Geos Mining.</li> </ul>  |
| <i>Environmental factors or assumptions</i>        | <ul style="list-style-type: none"> <li>• No assumptions have been made at this stage.</li> </ul>  |
| <i>Bulk density</i>                                | <ul style="list-style-type: none"> <li>• Bulk density based on RD measurements used in the H&amp;S MRE estimations in 2010.</li> <li>• Average RD were applied to the 3 weathering categories:</li> <li>• Oxide- 2.3</li> <li>• Transition- 2.4</li> <li>• Sulphide- 2.6</li> </ul>   |
| <i>Classification</i>                              | <ul style="list-style-type: none"> <li>• Mineral Resources have been classified as Indicated &amp; Inferred Resources.</li> <li>• Reliability of historical data has been tested by Zamia drilling programs and is deemed to be acceptable for use in the MRE.</li> <li>• Geological continuity is reasonable. However, grade continuity requires further testing in order to improve confidence in the resources.</li> </ul>   |
| <i>Audits or reviews</i>                           | <ul style="list-style-type: none"> <li>• Distribution of grade in the block model compares well with drillhole mineralisation.</li> <li>• No audits have been undertaken at this stage.</li> </ul>  |
| <i>Discussion of relative accuracy/ confidence</i> | <ul style="list-style-type: none"> <li>• Confidence in the MRE is appropriate for Indicated &amp; Inferred Resources only, due to gaps in the data, insufficient RD data and QA/QC issues.</li> <li>• The confidence in the MRE relates to global estimates.</li> </ul>   |

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## Appendix 2 – Drillhole details

| Hole_ID    | East_MGA94 | North_MGA94 | RL    | Dip | Azimuth | Tot Depth | Company |
|------------|------------|-------------|-------|-----|---------|-----------|---------|
| AC93DBT03  | 528115.0   | 7532556.0   | 254.0 | -90 | 0       | 55.0      | CRAE    |
| AC93DBT04  | 528115.0   | 7532656.0   | 254.0 | -90 | 0       | 44.0      | CRAE    |
| AC93DBT05  | 528315.0   | 7532756.0   | 260.0 | -90 | 0       | 62.0      | CRAE    |
| AC93DBT06  | 528315.0   | 7532656.0   | 258.0 | -90 | 0       | 72.0      | CRAE    |
| AC93DBT07  | 528315.0   | 7532556.0   | 257.0 | -90 | 0       | 68.0      | CRAE    |
| AC93DBT08  | 528515.0   | 7532556.0   | 261.0 | -90 | 0       | 18.0      | CRAE    |
| AC93DBT09  | 528515.0   | 7532656.0   | 263.0 | -90 | 0       | 51.0      | CRAE    |
| AC93DBT10  | 528515.0   | 7532756.0   | 265.0 | -90 | 0       | 15.0      | CRAE    |
| AC93DBT11  | 528515.0   | 7532856.0   | 267.0 | -90 | 0       | 24.0      | CRAE    |
| AC93DBT12  | 528515.0   | 7532956.0   | 267.0 | -90 | 0       | 9.0       | CRAE    |
| AC93DBT13  | 528515.0   | 7533056.0   | 266.0 | -90 | 0       | 9.0       | CRAE    |
| AC93DBT14  | 528315.0   | 7533056.0   | 260.0 | -90 | 0       | 12.0      | CRAE    |
| AC93DBT15  | 528115.0   | 7533056.0   | 255.0 | -90 | 0       | 47.0      | CRAE    |
| AC93DBT16  | 528115.0   | 7532956.0   | 255.0 | -90 | 0       | 36.0      | CRAE    |
| AC93DBT17  | 528115.0   | 7532856.0   | 256.0 | -90 | 0       | 18.0      | CRAE    |
| AC93DBT18  | 528115.0   | 7532756.0   | 255.0 | -90 | 0       | 54.0      | CRAE    |
| RC93DBT1   | 528290.0   | 7532926.0   | 258.0 | -90 | 0       | 111.0     | CRAE    |
| RC93DBT2   | 528290.0   | 7532826.0   | 257.0 | -59 | 2       | 141.0     | CRAE    |
| RC94DBT19  | 528402.6   | 7532633.7   | 257.9 | -60 | 55      | 123.0     | CRAE    |
| RC94DBT20  | 528479.9   | 7532693.6   | 260.2 | -60 | 53      | 117.0     | CRAE    |
| RC94DBT21  | 528572.2   | 7532753.4   | 264.8 | -60 | 53      | 99.0      | CRAE    |
| RC94DBT22  | 528654.0   | 7532810.0   | 276.0 | -60 | 52.0    | 129.0     | CRAE    |
| RC94DBT23  | 528737.6   | 7532869.4   | 274.6 | -60 | 55      | 105.0     | CRAE    |
| RC94DBT24  | 528322.5   | 7532575.8   | 256.2 | -60 | 55      | 117.0     | CRAE    |
| DHRC1      | 527715.0   | 7533041.0   | 255.0 | -90 | 0       | 80.0      | Cyprus  |
| DHRC2      | 527740.0   | 7532641.0   | 253.0 | -90 | 0       | 80.0      | Cyprus  |
| DHRC3      | 528205.0   | 7533071.0   | 257.0 | -90 | 0       | 75.0      | Cyprus  |
| DHRC4      | 527919.0   | 7532441.0   | 254.0 | -90 | 0       | 80.0      | Cyprus  |
| DD08A014   | 529228.7   | 7532883.5   | 264.6 | -60 | 90      | 303.6     | Zamia   |
| DD08A015   | 529337.8   | 7532702.4   | 266.4 | -60 | 352     | 300.0     | Zamia   |
| DD08A016   | 528917.7   | 7532801.4   | 270.5 | -60 | 358     | 300.6     | Zamia   |
| DD08A017   | 528820.0   | 7532901.8   | 275.7 | -60 | 0       | 369.4     | Zamia   |
| DD10A064   | 528748.9   | 7533050.9   | 272.8 | -60 | 90      | 698.4     | Zamia   |
| DD10A067   | 528921.0   | 7532707.3   | 267.2 | -75 | 90      | 388.2     | Zamia   |
| DD11A097   | 529222.0   | 7532648.0   | 267.0 | -75 | 95      | 249.5     | Zamia   |
| DD11A098   | 529068.0   | 7532860.0   | 276.0 | -75 | 90      | 251.5     | Zamia   |
| DDS11A066  | 526915.8   | 7532861.0   | 247.0 | -60 | 90      | 131.7     | Zamia   |
| DDS11A066A | 526915.8   | 7532861.0   | 247.0 | -60 | 90      | 494.3     | Zamia   |
| DDS11A072  | 526841.3   | 7533704.1   | 251.6 | -60 | 90      | 417.6     | Zamia   |
| DDS11A078  | 527795.4   | 7534669.5   | 252.5 | -60 | 90      | 386.3     | Zamia   |
| DDS11A082  | 529249.9   | 7533298.3   | 258.8 | -60 | 90      | 500.4     | Zamia   |
| DDS11A085  | 529151.0   | 7533848.0   | 257.0 | -60 | 90      | 395.3     | Zamia   |
| DDT11A065  | 529299.5   | 7532498.3   | 264.8 | -90 | 0       | 152.5     | Zamia   |

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| Hole_ID   | East_MGA94 | North_MGA94 | RL    | Dip | Azimuth | Tot Depth | Company |
|-----------|------------|-------------|-------|-----|---------|-----------|---------|
| DDT11A075 | 529184.3   | 7532749.1   | 266.8 | -90 | 0       | 150.0     | Zamia   |
| DDT11A077 | 528795.8   | 7532805.0   | 271.1 | -57 | 95      | 150.0     | Zamia   |
| RC08A001  | 529275.8   | 7532607.1   | 265.0 | -60 | 0       | 150.0     | Zamia   |
| RC08A002  | 529218.1   | 7532711.7   | 266.5 | -60 | 90      | 150.0     | Zamia   |
| RC08A003  | 529220.4   | 7532710.3   | 266.6 | -60 | 0       | 150.0     | Zamia   |
| RC08A004  | 529121.0   | 7532708.6   | 265.7 | -60 | 90      | 150.0     | Zamia   |
| RC08A005  | 529065.1   | 7532859.9   | 271.1 | -60 | 0       | 150.0     | Zamia   |
| RC08A006  | 529018.9   | 7532707.5   | 266.5 | -60 | 90      | 150.0     | Zamia   |
| RC08A007  | 528920.9   | 7532707.3   | 267.3 | -60 | 90      | 132.0     | Zamia   |
| RC08A008  | 528819.9   | 7532708.3   | 267.7 | -60 | 90      | 144.0     | Zamia   |
| RC08A010  | 529217.7   | 7532608.2   | 265.0 | -60 | 0       | 150.0     | Zamia   |
| RC08A011  | 528817.8   | 7532611.4   | 265.8 | -60 | 0       | 150.0     | Zamia   |
| RC09A024  | 528610.8   | 7532841.8   | 268.2 | -65 | 90      | 198.0     | Zamia   |
| RC10A033  | 529000.1   | 7532604.9   | 264.5 | -90 | 0       | 216.0     | Zamia   |
| RC10A034  | 529102.5   | 7532606.6   | 264.3 | -90 | 0       | 224.0     | Zamia   |
| RC10A035  | 529198.9   | 7532599.6   | 265.0 | -90 | 0       | 244.0     | Zamia   |
| RC10A036  | 529096.8   | 7532801.2   | 268.6 | -90 | 0       | 246.0     | Zamia   |
| RC10A037  | 528999.4   | 7532899.1   | 274.8 | -90 | 0       | 246.0     | Zamia   |
| RC10A039  | 528903.2   | 7532984.1   | 279.8 | -90 | 0       | 246.0     | Zamia   |
| RC10A041  | 529263.2   | 7532793.8   | 268.6 | -73 | 270     | 234.0     | Zamia   |
| RC10A042  | 528800.9   | 7532502.5   | 263.4 | -90 | 0       | 242.5     | Zamia   |
| RC10A043  | 528915.4   | 7532523.1   | 263.7 | -90 | 0       | 237.0     | Zamia   |
| RC10A045  | 528703.7   | 7532709.7   | 268.6 | -90 | 0       | 246.0     | Zamia   |
| RC10A048  | 529366.9   | 7532605.6   | 265.5 | -75 | 270     | 234.0     | Zamia   |
| RC10A049  | 528810.1   | 7532805.7   | 271.8 | -90 | 0       | 258.0     | Zamia   |
| RC10A050  | 528552.0   | 7532936.3   | 264.8 | -60 | 90      | 240.0     | Zamia   |
| RC10A053  | 529128.9   | 7532489.1   | 262.9 | -90 | 0       | 252.0     | Zamia   |
| RC10A057  | 529199.6   | 7532700.3   | 266.6 | -90 | 0       | 240.0     | Zamia   |
| RC10A058  | 529186.9   | 7532749.3   | 267.1 | -90 | 0       | 224.0     | Zamia   |
| RC10A059  | 528999.5   | 7532852.0   | 272.4 | -90 | 0       | 222.0     | Zamia   |
| RC10A061  | 529002.2   | 7532646.2   | 265.4 | -90 | 0       | 252.0     | Zamia   |
| RC10A062  | 529100.1   | 7532651.2   | 264.4 | -90 | 0       | 252.0     | Zamia   |
| RC11A068  | 529295.8   | 7532450.5   | 265.1 | -90 | 0       | 252.0     | Zamia   |
| RC11A071  | 528705.1   | 7532750.2   | 270.1 | -90 | 0       | 252.0     | Zamia   |
| RC11A073  | 528901.9   | 7532448.2   | 262.5 | -60 | 90      | 252.0     | Zamia   |
| RC11A076  | 529200.0   | 7532551.6   | 264.4 | -90 | 0       | 245.5     | Zamia   |
| RC11A080  | 528898.6   | 7532551.3   | 264.3 | -90 | 0       | 252.0     | Zamia   |
| RC11A081  | 529446.0   | 7532453.0   | 267.0 | -75 | 270     | 252.0     | Zamia   |
| RC11A083  | 529422.0   | 7532500.0   | 267.0 | -90 | 0       | 252.0     | Zamia   |
| RC11A084  | 529394.0   | 7532548.0   | 267.0 | -90 | 0       | 252.0     | Zamia   |
| RC11A086  | 529397.0   | 7532703.0   | 269.0 | -90 | 0       | 252.0     | Zamia   |
| RC11A087  | 529390.0   | 7532764.0   | 270.0 | -90 | 0       | 252.0     | Zamia   |
| RC11A088  | 529363.0   | 7532802.0   | 270.0 | -90 | 0       | 168.0     | Zamia   |
| RC11A090  | 528903.0   | 7532900.0   | 276.0 | -90 | 0       | 246.0     | Zamia   |
| RC11A091  | 529021.0   | 7532899.0   | 277.0 | -65 | 90      | 246.0     | Zamia   |
| RC11A093  | 528790.0   | 7532656.0   | 269.0 | -90 | 0       | 252.0     | Zamia   |

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| Hole_ID    | East_MGA94 | North_MGA94 | RL    | Dip | Azimuth | Tot Depth | Company |
|------------|------------|-------------|-------|-----|---------|-----------|---------|
| RC11A094   | 528698.0   | 7532850.0   | 274.0 | -90 | 0       | 174.0     | Zamia   |
| RC11A095   | 529100.0   | 7532750.0   | 270.0 | -90 | 0       | 252.0     | Zamia   |
| RC11A096   | 528703.0   | 7532595.0   | 267.0 | -90 | 0       | 252.0     | Zamia   |
| RC14A100   | 527670.0   | 7533315.0   | 253.0 | -65 | 90      | 200.0     | Zamia   |
| RCD08A009  | 528700.5   | 7532252.0   | 258.5 | -60 | 0       | 246.6     | Zamia   |
| RCD08A012  | 528819.1   | 7532799.7   | 271.1 | -90 | 0       | 321.7     | Zamia   |
| RCD09A013  | 528718.8   | 7532710.8   | 269.2 | -60 | 90      | 303.0     | Zamia   |
| RCD09A019  | 528666.8   | 7532951.1   | 272.2 | -60 | 90      | 312.0     | Zamia   |
| RCD09A021  | 528708.9   | 7532903.8   | 274.7 | -60 | 90      | 307.3     | Zamia   |
| RCD09A022  | 528762.0   | 7532902.3   | 276.2 | -60 | 90      | 307.0     | Zamia   |
| RCD09A023  | 528654.1   | 7532892.9   | 271.7 | -60 | 90      | 300.0     | Zamia   |
| RCD09A025  | 528751.2   | 7532851.6   | 273.7 | -65 | 90      | 300.0     | Zamia   |
| RCD09A026  | 528693.9   | 7532803.2   | 271.2 | -65 | 90      | 300.0     | Zamia   |
| RCD09A027  | 528796.2   | 7532802.2   | 271.4 | -65 | 90      | 309.0     | Zamia   |
| RCD09A028  | 528749.2   | 7532750.7   | 270.4 | -65 | 90      | 300.0     | Zamia   |
| RCD09A029  | 528851.2   | 7532749.7   | 268.7 | -65 | 90      | 316.5     | Zamia   |
| RCD10A018  | 528652.7   | 7532809.4   | 270.1 | -60 | 52      | 629.5     | Zamia   |
| RCD10A020  | 528736.4   | 7532948.9   | 276.4 | -60 | 90      | 722.7     | Zamia   |
| RCD10A030  | 528848.6   | 7532650.0   | 266.6 | -63 | 90      | 303.0     | Zamia   |
| RCD10A031  | 528800.3   | 7532652.2   | 267.0 | -63 | 90      | 473.3     | Zamia   |
| RCD10A032  | 528900.4   | 7532608.6   | 265.4 | -90 | 0       | 341.6     | Zamia   |
| RCD10A038  | 528998.7   | 7532802.8   | 270.3 | -90 | 0       | 406.0     | Zamia   |
| RCD10A044  | 528702.6   | 7532797.4   | 271.1 | -90 | 0       | 563.6     | Zamia   |
| RCD10A051  | 529294.5   | 7532498.7   | 265.0 | -90 | 0       | 497.6     | Zamia   |
| RCD10A054  | 528992.8   | 7532529.1   | 263.7 | -90 | 0       | 404.5     | Zamia   |
| RCD10A055  | 528472.7   | 7532850.4   | 260.1 | -64 | 90      | 803.4     | Zamia   |
| RCD10A056  | 528613.6   | 7532703.5   | 266.8 | -64 | 90      | 726.1     | Zamia   |
| RCD11A040  | 529186.6   | 7532899.9   | 267.2 | -90 | 0       | 500.0     | Zamia   |
| RCD11A046  | 528798.8   | 7532587.7   | 265.5 | -90 | 0       | 470.6     | Zamia   |
| RCD11A047  | 529333.5   | 7532693.7   | 266.5 | -90 | 0       | 479.6     | Zamia   |
| RCD11A052  | 529207.0   | 7532498.6   | 263.8 | -90 | 0       | 503.6     | Zamia   |
| RCD11A060  | 529206.6   | 7532650.4   | 265.8 | -90 | 0       | 504.0     | Zamia   |
| RCD11A063  | 529300.1   | 7532553.4   | 265.3 | -90 | 0       | 552.0     | Zamia   |
| RCD11A069  | 529191.5   | 7532445.1   | 263.9 | -90 | 0       | 398.7     | Zamia   |
| RCD11A070  | 529128.4   | 7532463.2   | 263.1 | -75 | 270     | 503.5     | Zamia   |
| RCD11A074  | 529100.8   | 7532549.4   | 263.8 | -90 | 0       | 501.7     | Zamia   |
| RCD11A079  | 528890.6   | 7532452.7   | 262.2 | -90 | 0       | 454.0     | Zamia   |
| RCD11A089  | 528689.0   | 7532651.0   | 269.0 | -90 | 0       | 410.6     | Zamia   |
| RCD11A092  | 528809.0   | 7532903.0   | 276.0 | -90 | 0       | 482.0     | Zamia   |
| RCD14A099  | 528545.0   | 7533078.0   | 267.0 | -65 | 130     | 429.0     | Zamia   |
| RCD14A101  | 528210.0   | 7532554.0   | 256.0 | -65 | 55      | 108.0     | Zamia   |
| RCD14A101A | 528210.0   | 7532554.0   | 256.0 | -65 | 55      | 400.4     | Zamia   |