

26 July 2023

Update on Large Scale Western USA Liberty Lithium Brine Project

- Discussions and due diligence have advanced on the Liberty Lithium Brine Project in the western USA
- Resampling of lithium brines have returned almost 200 mg/L Lithium supporting previous anomalous areas extending over 10km, reinforcing the strong potential of the project. Similar nearby brine projects are advancing to potential economic development on lower grades downhole.
- Liberty Lithium has confirmed an expanded, large lease holding position over 10,230 Ha (25,280 acres), (a 67% increase) making it one of the largest single lithium brine projects in the western USA.
- QXR entered a Letter of Intent (LOI) in May 2023 over the Liberty Lithium Brine Project.
- Discussions with regulators and local administrators have reaffirmed the local interest in developing projects similar to Liberty Lithium towards production because of the support for battery minerals production in California.

QX Resources Limited (ASX: QXR, 'QXR') has advanced discussions and due diligence over the large, recently-consolidated lithium brine project, Liberty Lithium, in California, USA.

Large volume (30 litre) resampling of lithium brines in auger holes have returned almost 200 mg/L Lithium, with values from 186 to 195 mg/L lithium, supporting previous anomalous results. Prior brine samples returned 125 mg/L up to 215 mg/L lithium in near surface auger holes in the same area. Elevated lithium results extend over a 10km distance.

These results reinforce the strong potential of the project. Similar nearby brine projects, such as Pure Energy Minerals just across the Californian/Nevada border, are advancing to potential economic development on lower grades downhole of 110-160mg/L Li¹.

Recent consolidation of lease holding has been confirmed with an expanded, large lease holding position over 10,230 Ha (25,280 acres), a 67% increase over the previous area, making it one of the largest single lithium brine projects in the western USA (for scale, equivalent to 2x area of Sydney Harbour or half the size of San Francisco city). Geophysical analysis shows a large basin over 1,000 metres deep, with geothermal fluids along a faulted margin with elevated lithium brine results.

Detailed due diligence, together with legal advice, have reaffirmed the local county and regulatory interest in developing projects such as Liberty Lithium towards production because of the support for battery minerals production in this part of California. Evaporative salt operations nearby have been operating for decades.

QXR entered a non-binding letter of intent (LOI) for exclusivity to negotiate terms to acquire a controlling interest of 75% in the Liberty Lithium Brine Project in May 2023 (ASX Announcement 17 May 2023) with a 75-day exclusivity period to conduct due diligence and negotiate terms and structuring of an option to purchase agreement. Final terms are anticipated during mid-August. To facilitate the finalisation of the agreement, the parties have agreed to extend the exclusivity period until 15 August, 2023. Separately, QXR has agreed to purchase a small package of leases to consolidate the area, requiring a payment of cash and shares to the third party lease holder.

QXR Managing Director, Stephen Promnitz, said: "Ongoing studies, detailed due diligence and a site visit show QXR that the Liberty Lithium Project is truly large scale with repeatable results and a pathway to development.

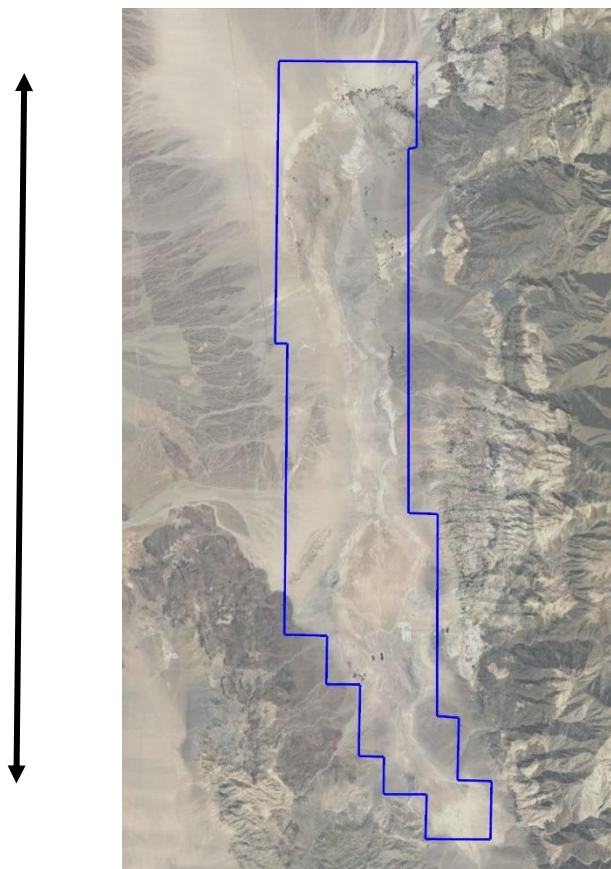
¹ https://www.pureenergyminerals.com/wp-content/uploads/2018/04/PureEnergy_ClaytonValleyPEA_Rev1_23March2018.pdf

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It's a sought-after project with many characteristics similar to Albemarle's producing Silver Peak lithium brine deposit in Clayton Valley USA and other Argentina brine projects. It is encouraging to note growing interest from end-users investing directly into projects making Liberty Lithium an attractive opportunity. Liberty Lithium is well located near a long life salt operation nearby. We are in final discussions now."



Figure 1: Location map of Liberty Lithium area (Jackrabbit Flat Project)



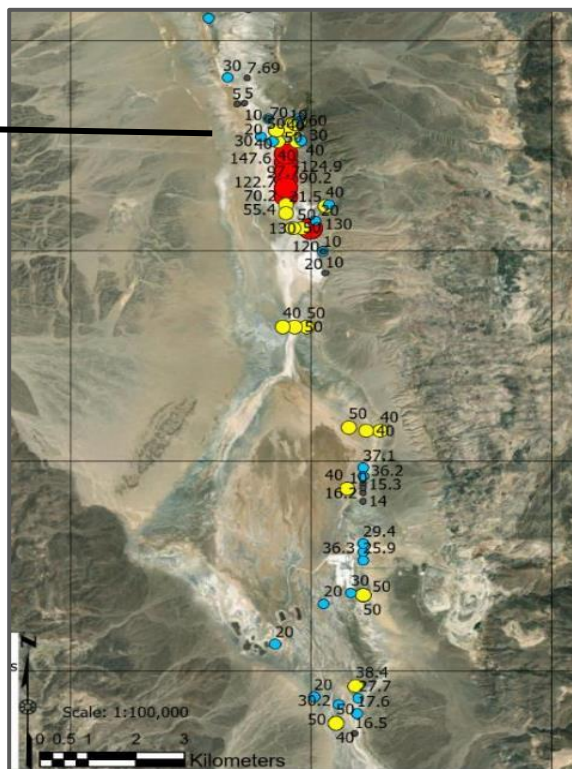
**27 km long
lease area**

**Covers all of
prospective
basin**

Figure 2: Lease map of Liberty Lithium area covering an extended granted area of more than 10,000 Ha (25,000 acres)

Resampled
Highest Li
results in brine
at surface

10 km
lithium
anomaly



215 and 217
ppm Li in brine
at surface

Resampled and
hand pumped
for 30 litres

Results 172 and
198 ppm Li

Sample
collected 100m
away returned
172 ppm Li

Figure 3: Location Map of Liberty Lithium with surface brine sample results (ppm lithium)



Figure 4: Resampling previous auger sample sites with hand pump

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Figure 5: Three views of the salt playa at Liberty Lithium

Auger Sample	E	N	Comments	Li (ppm)
PV22RW-133NWMay13	479879	3986089	Auger Sampled 13 May 2022	216
PV22RW-133NWA	479879	3986089	Auger Sampled 13 May 2022	215
LL23RW-4W	479879	3986090	Resampled on 17 May 2023	172
LL23RW-3W	479880	3986089	2nd Resample on 17 May 2023	198

Authorised by the Board of QX Resources Limited.

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About QX Resources:

QX Resources (ASX:QXR) is focused on exploration and development of battery minerals, with hard rock lithium assets in a prime location of Western Australia (WA), and gold assets in Queensland. The aim is to connect end users (battery, cathode and car makers) with QXR, an experienced explorer/developer of battery minerals, with an expanding mineral exploration project portfolio and solid financial support.

Lithium hard rock portfolio: QXR's lithium strategy is centred around WA's prolific Pilbara province, where it has four projects in strategic proximity to some of Australia's largest lithium deposits and mines. Across the Pilbara, QXR's regional lithium tenement package (both granted or under application) spans more than 350 km².

Lithium brine: QXR is continuing due diligence under an exclusive Letter of Intent over a large recently consolidated lithium brine project in California, USA.

Gold portfolio: QXR is also developing two Central Queensland gold projects through an earn-in agreement with Zamia Resources Pty Ltd. Both gold projects are strategically located within the Drummond Basin, a region that has a >6.5moz gold endowment.

Nickel sulphides: QXR has a significant 39% shareholding in unlisted public Australian company Bayrock Resources Limited, which has a portfolio of highly prospective battery minerals assets in Sweden, primarily in nickel, cobalt and copper. QXR is assisting Bayrock with project development and financing initiatives

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), Fellow of the Australian Institute of Geoscientists 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.

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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.

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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>Historical exploration 2018-2023</p> <ul style="list-style-type: none"> • Brine samples have been collected or as hand auger samples from near surface up to 2m, collected in clean plastic bottles. • Brine samples were collected over an area of approximately 20km² at irregular intervals. • 2 shallow diamond drill holes were drilled with sampling techniques under review. Limited brine samples were collected in clean plastic bottles using a bailer process - although in discussions these samples appear to have been contaminated by fresh water and not representative. • Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Drilling techniques</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • 2 shallow vertical diamond drill holes were drilled to test stratigraphy and some brine samples. Depths and diameters are being determined as part of a technical review • 2018: 2BMR 256m PQ/HQ vertical RC1 287m HQ • 2020: PV4C 452m , PV5C 353m PQ/HQ vertical
<i>Drill sample recovery</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Sampling recoveries were documented and are being determined as part of a technical review • As the brine samples were taken from brine bailed from the hole (and not from the drill core) they are largely independent of the quality (recovery) of the core samples.
<i>Logging</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • All holes were logged by qualified geologists at drilling site. • Only quantitative (spreadsheet) logging has been sighted • Some core photography has been sighted.
<i>Sub-sampling techniques and sample preparation</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Sample preparation records exist and are being reviewed together with QA/QC procedures.
<i>Quality of assay data and laboratory tests</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> • All of the surface brine samples and drillhole bailer samples were submitted to registered recognised laboratories. • Analytical methods are being determined as part of a technical review
<i>Verification of sampling and assaying</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Methods are being determined as part of a technical review
<i>Location of data points</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • Coordinates for the drillholes have been recorded and will be provided as part of a technical review.
<i>Data spacing and distribution</i>	<p>Historical Drilling</p> <ul style="list-style-type: none"> • 2 diamond drillholes have been conducted with data under review

Criteria	Commentary
<i>Orientation of data in relation to geological structure</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> Surface brine sampling covered most of the visible salt lake <p>Historical Drilling</p> <ul style="list-style-type: none"> 2 vertical drillholes
<i>Sample security</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> Unknown.
<i>Audits or reviews</i>	<p>Historical Exploration</p> <ul style="list-style-type: none"> Unknown at this stage. Under review

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"> The project is covered by approximately 2000 unpatented BLM claims over covering approximately 10,230 Ha (25,280 acres) of contiguous title. Save for a small package of leases held by an unrelated third party that QXR has agreed to purchase, the claims are held by [], an unrelated third party (Claim Holder). The Claim Holder has given QXR exclusivity until 14 August 2023 to undertake diligence and agree acquisition terms with the Claim Holder to purchase 75% of the project. Any acquisition is subject to third party and other approvals. Mineral tenement information is being reviewed as part of the due diligence process.
<i>Exploration done by other parties</i>	<p>Historical Exploration 2018-2023</p> <ul style="list-style-type: none"> The project was held by two companies whose work included surface and auger brine sampling, geophysics and 2 drillholes. Sampling highlighted anomalous Lithium in auger brine samples up to 215ppm Li. Geophysics included broad spaced gravity and magnetotellurics (MT) Limited brine samples were collected in by a bailer process from drillhole and in discussions these samples appear to have been contaminated by fresh water and not representative. Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Geology</i>	<ul style="list-style-type: none"> The project appears to be an enclosed arid basin with sand, silt, clay and halite horizons accumulated in a salt lake setting from terrestrial sediments and evaporation of brines. Brines within the salt lake are formed by solar concentration interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units. Geology was recorded at surface and in drillhole logs.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Data aggregation methods</i>	Unknown

Criteria	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Brine mineralisation interpreted as horizontally lying with drilling perpendicular
<i>Diagrams</i>	<ul style="list-style-type: none"> • A diagram showing surface brine samples and auger brine samples is represented here with lithium analyses in mg/L (ppm) lithium.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Further data will be released after a full technical review and then determine reporting appropriate.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Gravity and MT geophysics suggest a basin of at least 800m-1000m in depth filled with sediments and potentially zones with brine mineralisation, although these data are not represented here. • Technical due diligence is underway and therefore this section is incomplete and will be updated in future
<i>Further work</i>	Technical due diligence is underway and therefore this section is incomplete and will be updated in future

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