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QXR signs formal documentation to Acquire 75% Interest in 100km² Liberty Lithium Brine Project USA

- QXR has entered into a binding Option to Purchase Agreement to earn 75% of the Liberty Lithium Brine Project in the western USA.
- Liberty Lithium is one of the largest single lithium brine projects in the USA with contiguous claims over 10,230 Ha (102km²). An extensive lithium brine surface anomaly with elevated lithium results up to 215mg/L Li extends over 10km with geophysics indicating brine aquifer targets at depth.
- QXR to undertake drilling over the surface anomaly within two months to define potential lithium bearing aquifers at depth with brine sent for testwork to various Direct Lithium Extraction providers.
- QXR and the vendors have an indicative development plan and timeline considered achievable in discussions with regulators and local administrators due to the support for battery minerals production.

QX Resources Limited (ASX: QXR, 'QXR') has entered an Option to Purchase Agreement and an Operating Agreement (Agreements) to earn a 75% interest of the 102km² Liberty Lithium brine project in California, USA (Project), from vendor IG Lithium LLC (IGL). The Agreements complement the acquisition agreement announced to ASX on 28 September 2023 under which QXR acquired a small package of adjacent claims.

QXR Managing Director, Stephen Promnitz, said: *"The Liberty Lithium Project is potentially a new large-scale lithium brine project - in the right location, with good infrastructure and a pathway to development. The project has been pursued by other groups due to its similarities to Albemarle's nearby producing Silver Peak lithium brine deposit in Clayton Valley USA and to major Argentina brine projects. The vendors wanted QXR due to its past lithium brine experience.*

End-users, DLE technology providers, project developers and battery makers have intimated interest in participating with us once we identify lithium brines in drillhole. The project is located near long life evaporation operations, and is well-serviced by roads and power in a region keen to be part of the energy transition.

QXR now has a battery minerals portfolio of true scale in Tier-1 jurisdictions. Exciting hard rock lithium targets, a major investment in high grade nickel-copper-cobalt sulphides, and now a large lithium brine project."

The first stage of the Agreements involve QXR conducting drilling, sampling, and testwork, starting with two permitted drillholes in the main part of the surface lithium anomaly, scheduled for November-December this year. Large volumes of lithium brines, if encountered, will be submitted for testwork with various direct lithium extraction (DLE) providers. IGL is able to provide an experienced team to assist in the field work, rather than requiring QXR to assemble a team.

QXR will make staged option payments to IGL totalling US\$2 million over the next 27 months to earn 75% of the Project and sole fund activities through to the Definitive Feasibility Study stage. Drilling is planned to assess the Project before the bulk of the payments are due.

Liberty Lithium Brine Project

The Liberty Lithium Brine Project, located in SaltFire Flat, California, is made up of 1,265 contiguous claims over 102km² (25,300 acres), being one of the largest single lithium brine projects in the USA (for scale, equivalent to 2x area of Sydney Harbour or half the size of San Francisco city). An extensive lithium brine surface anomaly with elevated lithium results up to 215mg/L Li extends over 10km (ASX announcement 26 July 2023). Geophysical analysis shows a large basin over 1,000 metres deep and indicating brine aquifer targets at depth. The Project's geological setting mirrors Albemarle's nearby producing Silver Peak lithium brine deposit in Clayton Valley USA¹ and major Argentina brine projects.

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.

Purchase of Adjacent Third Party Claims

A small package of adjacent claims central to the Liberty Lithium Brine Project have been purchased from a third party by QXR 100% to consolidate title. Payments of US\$100,000 and QXR shares to the same value (4,824,720 QXR shares priced at 3.24c and 3.1c per share) have been paid under the sale and purchase agreement (ASX announcement 28 September 2023).

Next Steps

QXR is organising a diamond drill program with two permitted drillholes planned (1,000m), together with downhole sampling and geophysics, targeted at the centre of the surface lithium anomaly. Drilling will take place in November- December, with final timing being subject to rig availability. Bulk volumes of lithium brines will be submitted for testwork with various DLE providers. The aim is to identify lithium bearing brine aquifers at depth, which is anticipated to lead to detailed drilling towards an initial resource by mid 2024.

Table 1: Option to Purchase Agreement - Key Commercial Terms

Parties	
Buyer	QX Resources Limited (QXR) and its US subsidiary (and nominees)
Vendor	IG Lithium LLC (IGL)
Project	Liberty Lithium / SaltFire Flat, California USA
Key Commercial Terms	
Earn-in	Earn-in to 75% of IG Lithium LLC which holds Project
During Earn-in Period	QXR subsidiary to manage project
Post Earn-in Period	QXR subsidiary to manage project and free carry other members to DFS completion. Post DFS, members will contribute proportionately
Option Payments to Vendor	US\$2 million in 5 tranches over 27 months
	Incl. US\$300,000 in Oct 2023; and US\$200,000 in Apr 2024
Mineral Title (claims)	Meet obligations to maintain title in good standing (estimated at approximately US\$280,000 per annum)
Work Commitments	US\$1.2 million in exploration over 27 months, including drilling, sampling, testwork
Other items	Ancillary payments of US\$75,000 annually
Purchase of Third Party Claims	QXR purchased a small package of claims from a third party for US\$100,000 plus QXR shares to the same value (4,824,720 QXR shares priced at 3.24c and 3.1c per share). These claims will be transferred to IGL for the value paid upon QXR acquiring its 75% interest in IGL.

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

**27 km long
lease area**

**Covers main
prospective
basin**



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

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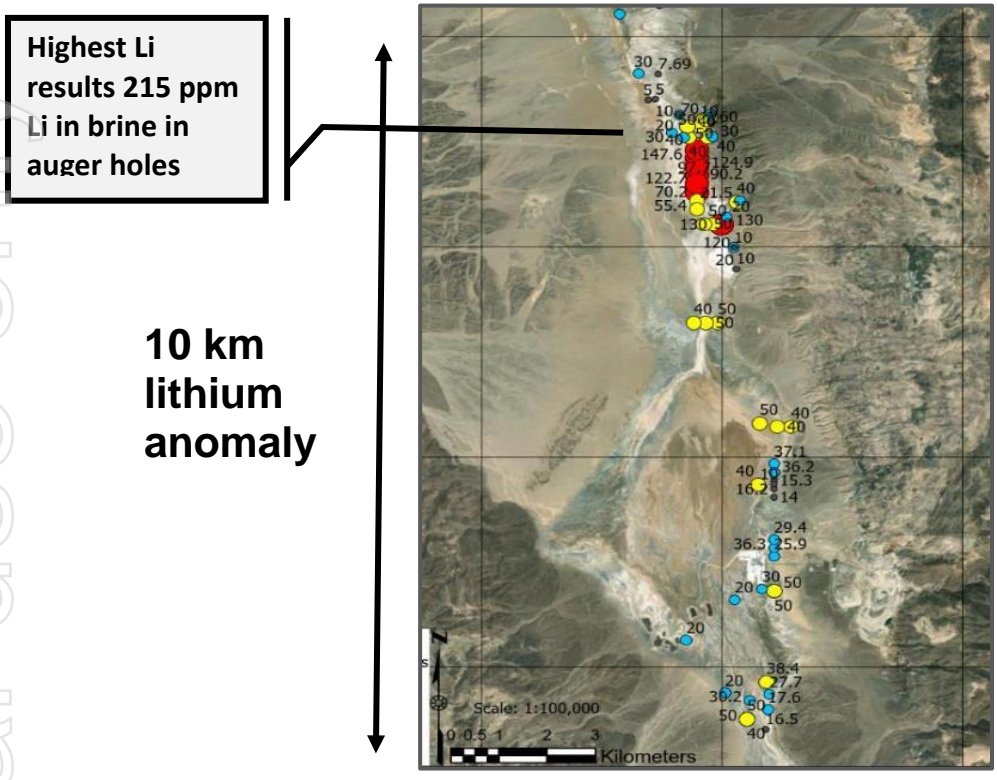


Figure 3: Location Map - Liberty Lithium with surface brine sample results (ppm Li) (ASX announcement 26 July 2023).



Figure 4: Two views of the Salt Fire Flat at Liberty Lithium



Figure 5: The first drill site- Salt Fire Flat at Liberty Lithium

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), lithium brine project in the USA, copper/moly/gold assets in Queensland and a strategic investment in nickel sulphides in Sweden. 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 has entered an Option to Purchase Agreement to earn-in to 75% of the Liberty Lithium Brine Project, 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.

QX Resources Limited

The exploration results contained in this announcement were first reported by QXR on 17 May 2023 and 26 July 2023. QXR confirms that it is not aware of any new information or data that materially affects the exploration results previously announced.

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.

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