QX Resources

QXR - The X Factor in Battery Minerals Supply

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QX RESOURCES LIMITED
AND CONTROLLED ENTITIES

ABN 55 147 106 974

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

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Corporate Information

This financial report includes the consolidated financial statements of QX Resources Limited and controlled entities ('Group'). The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's Report.

Directors
Mr Maurice Feilich – Executive Chairman
Mr Stephen Promnitz – Managing Director
Mr Daniel Smith – Non-Executive Director
Mr Benjamin Jarvis – Non-Executive Director – resigned 27 October 2023
Mr Roger Jackson – Non-Executive Director

Company Secretary
Mr Daniel Smith

Registered Office
Level 8, 99 St Georges Terrace
Perth WA 6000

Principal Place of Business
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Perth WA 6000

Share Registry
Computershare Investor Services
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Perth WA 6000

Auditors
Moore Australia Audit (WA)
Level 15, 2 The Esplanade
Perth WA 6000

Stock Exchange
Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000
ASX Code: QXR

Website
www.qxresources.com.au

Solicitors
Atkinson Corporate Lawyers
Level 8, 99 St Georges Terrace
Perth WA 6000

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Directors' Report

The directors present their report on the Group at the end of, or during, the half-year ended 31 December 2023.

Directors

The persons who were directors of the Group during the half-year and up to the date of this report are:

Mr Maurice Feilich (Executive Chairman)
Mr Stephen Promnitz (Managing Director)
Mr Daniel Smith (Non-Executive Director)
Mr Benjamin Jarvis (Non-Executive Director) – Resigned 27 October 2023
Mr Roger Jackson (Non-Executive Director)

Results

The statement of profit or loss and other comprehensive income shows a net loss for the half-year ended 31 December 2023 of $1,266,787 (31 December 2022: $978,518).

Review of Operations for the Half-Year ended 31 December 2023

QX Resources is focused on exploration and development of battery minerals, with hard rock lithium assets in a prime location of Western Australia and gold-molybdenum 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.

Western Australian Projects

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 spans more than 350 km^2.

QXR owns 100% of four large project areas in the Pilbara - Split Rock (E46/1367), Western Shaw (E45/6107, E45/4960), Turner River and Yule River leases (E45/6159) – with exploration progressively covering all four project areas. The Pilbara has now been reaffirmed as the prime location for hard rock lithium discoveries globally based on recent success in neighbouring areas. The key target is the contact zone between greenstones and granitoids known to be permissive for lithium mineralisation of the Split Rock Supersuite with which the Wodgina, Pilgangoora and Global Lithium deposits are associated.

Turner River lithium project (E45/6042 & E45/6065)

Rock chip sampling at the Turner River Lithium project had returned grades of up to 4.90% Li2O in samples of lepidolite, (**Figure 1**). Assay results from additional rock chip sampling returned 1.6% & 1.1% Li2O extending the area under cover of the previously reported lepidolite at the Carbonate Hill prospect at Turner River in the north-eastern part of tenement E45/6042 (refer ASX announcement 30 Jun 2022, 8 Nov 2022).

High surface lithium grades were recovered from 5-15 kg sample blocks of lithium rich micas together with pegmatites at surface.

Directors' Report (continued)

An initial drilling program of 12 holes (1,166m) in Dec 2022 was followed by a 10 hole (1,130m) RC drilling program in the March quarter 2023. A lithium mineralisation halo was confirmed in drill results. The best lithium drill results were:

- 1m @ 0.38 % Li2O (from 4m depth in hole 22QXRC007) within 3m @ 0.26% Li2O; and
- 4m @ 1,693 ppm Total Rare Earth Oxide (TREO) (from 18m in hole 22QXRC007) including 1m @ 369ppm Nd203.

This was within an elevated zone of lithium results intersected from surface to 22m depth from lithium micas. The lithium mineralisation intersected was composed of a mix of spodumene and lepidolite (lithium mica). Further exploration work is required to locate better lithium grades in the drilling which mirror the surface rock chip results.

A program of surface rockchip sampling and further geological mapping in the Pilbara was undertaken in the Sept quarter 2023. Further rockchip sample results were returned with up to 3.8% LiO2 and 1.3% Rb2O at Turner River. These new samples, taken from new areas of interest within Turner River, are located some ~250m from where the first samples were reported last year which include ~10kg 'wheelbarrow-sized' samples grading 4.9% LiO2.

With an expanded zone of interest, QXR will reinforce its focus on Turner River with detailed trenching and sampling, integrated with recently flown detailed airborne geophysics data over Turner River, to target new areas and to better define mineralised extensions under shallow cover to define new drilling targets.

Figure 1: Location map of QXR's Turner River project mineral exploration licences relative to large Pilbara lithium mines, and photo of weathered lepidolite in rock samples from the drilling area shown in Figure 1.

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Directors' Report (continued)

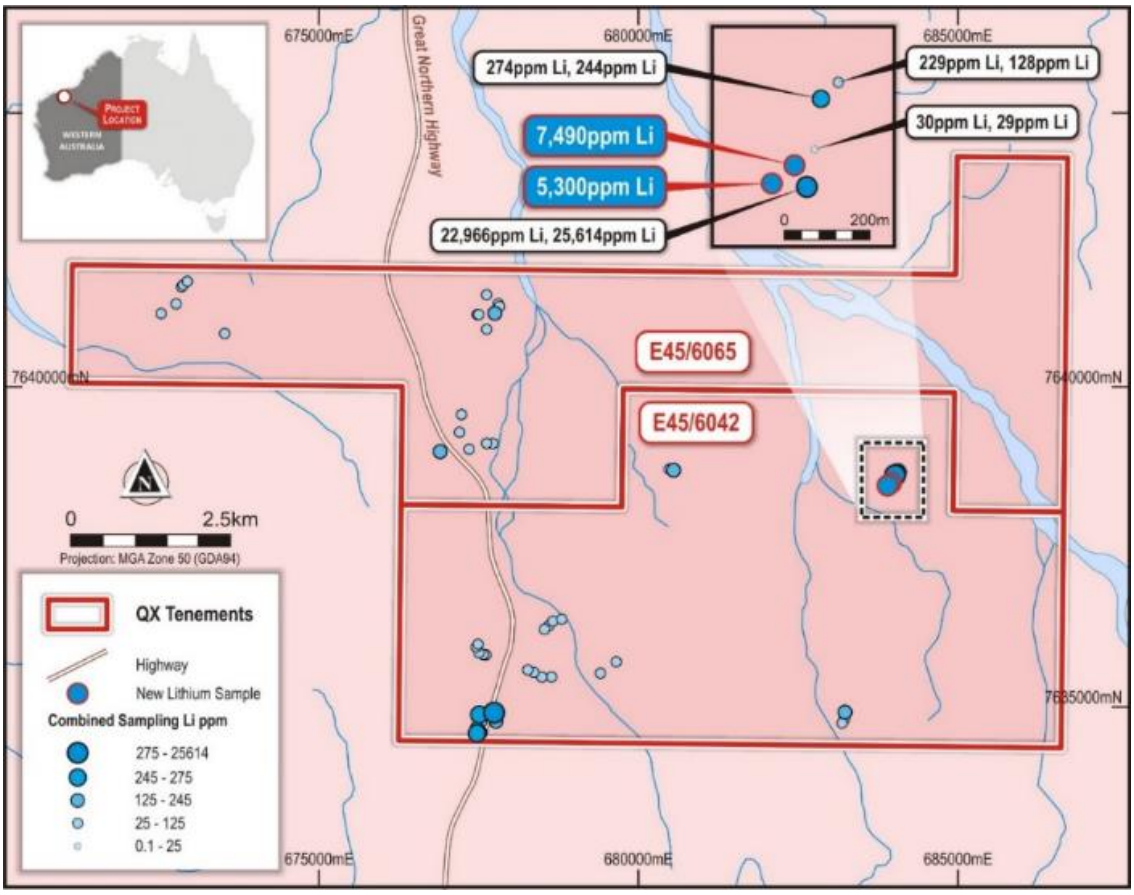

Figure 2: Location map of QXR's Turner River lithium project tenements, with lithium results in rock chip samples and RC drilling areas (black circles).

Western Shaw Lithium project

The Western Shaw project comprises a well-developed greenstone belt, with a chert horizon within a mafic/ultramafic sequence together with some felsic units. The belt is bounded on the east by multiple phases of granite. 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).

Pegmatites were identified and sampled in the west and south of QXR's Western Shaw leases. Pegmatites appeared larger and more abundant in the southern section. Numerous pegmatites returned encouraging lithium results from mobile XRF analysis. Eighteen samples returned between 300-600ppm lithium in pegmatites at Western Shaw.

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Directors' Report (continued)

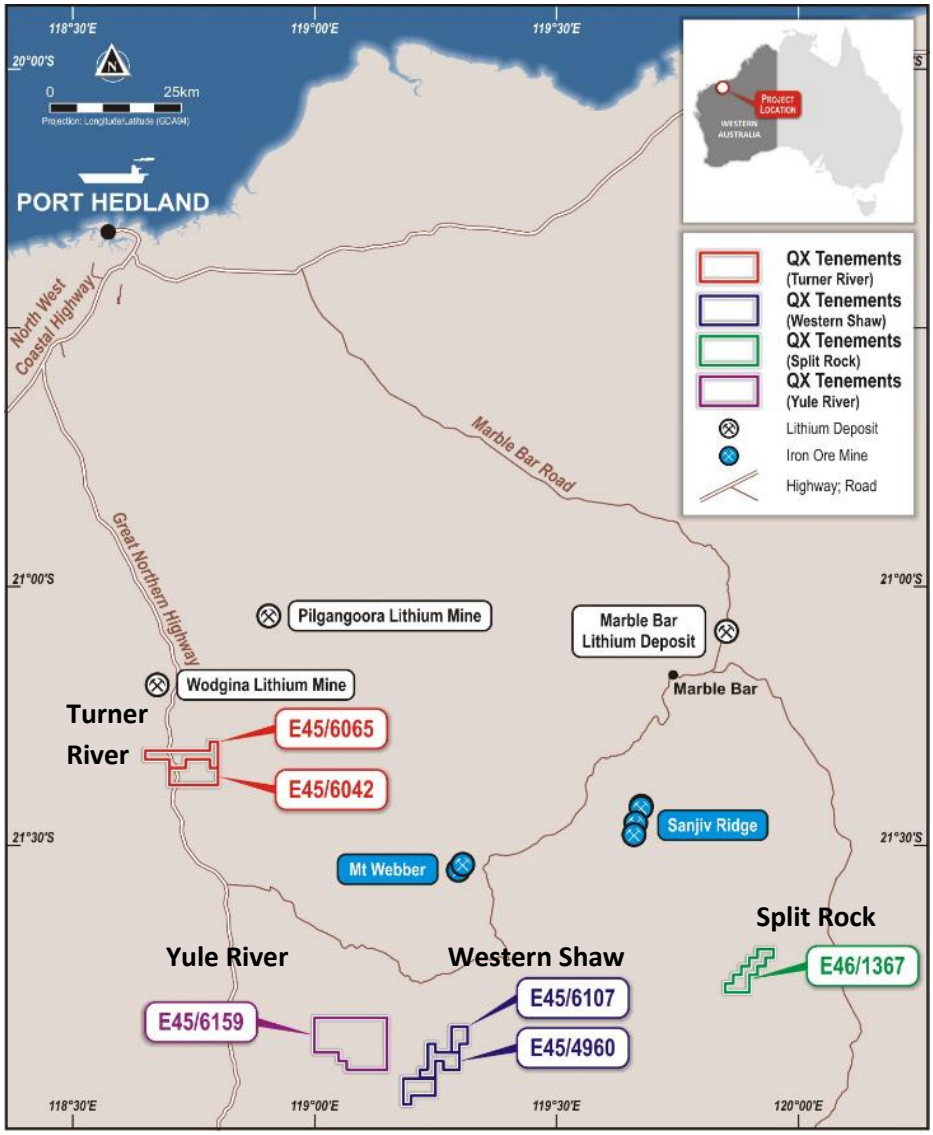

Figure 3: QX Resources hard rock lithium project locations and regional setting in the Pilbara region, WA

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Directors' Report (continued)

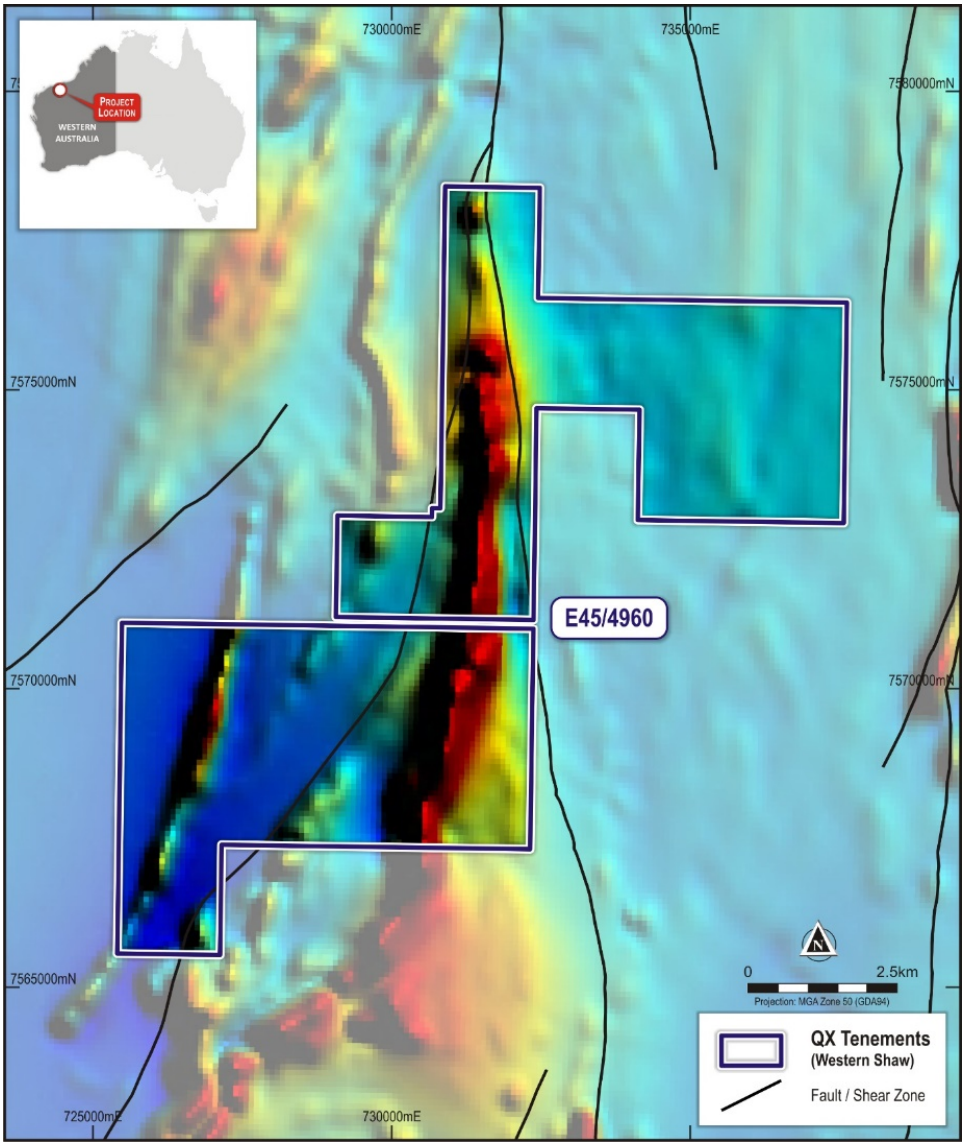

Figure 4: Western Shaw project over regional magnetics, highlighting the north-south striking banded iron formation.

Western Shaw Iron Ore project

At Western Shaw, previous reconnaissance rock chip samples have returned up to 58.5% Fe from outcrop, which extends over a 4km distance.

A Banded Iron Formation (BIF) with chert horizons was sampled over 4.4km but extends over 8km within the Western Shaw leases (E45/6107, E45/4960), with southern extensions held by the FMG group and Rio Tinto (E45/5589, E45/6326). Rockchip samples with iron ore grades up to 58.5% Fe were returned. QXR has undertaken a comprehensive review of prior exploration over Western Shaw with the iron ore potential only having been recently assessed as the area had been targeted for pegmatites by QXR. Potential exists for enriched surface iron ore over BIF sequences. The Pilbara has been an exploration target for enriched iron ore as DSO (Direct Shipping Ore). A new sampling program of 250m spaced rockchip traverses over the outcropping BIF sequence is planned over the full 8km outcrops in, followed by costeans to better identify drilling targets.

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Directors' Report (continued)

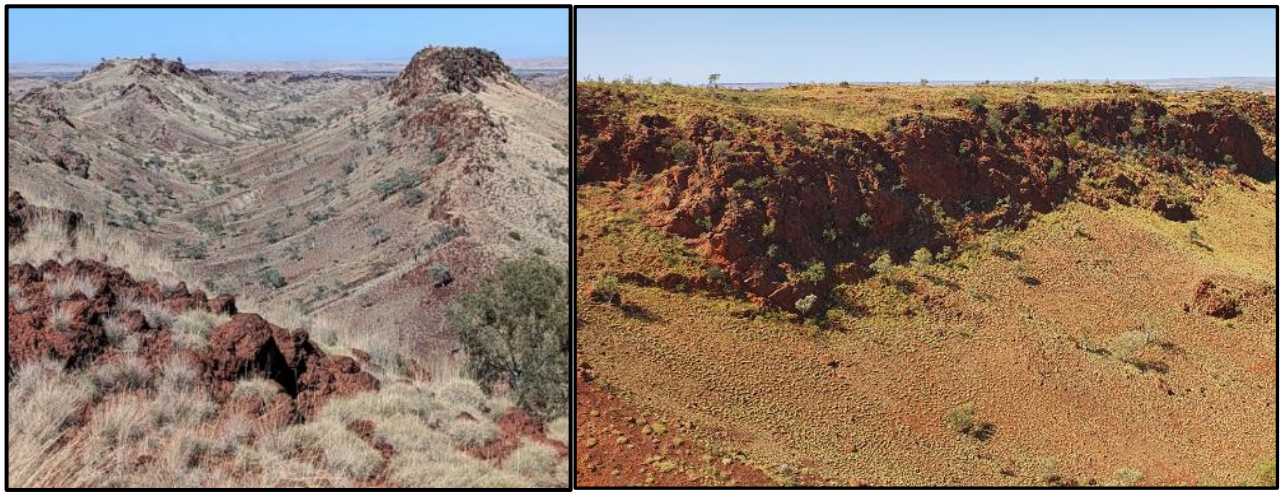

Figure 5: Encouraging geological setting of outcropping BIF iron formations with enriched iron zones at Western Shaw

Split Rock (E46/1367)

The Split Rock Lithium project covers an area of 35km^2 and is approximately 200km southeast of Port Hedland and 180km north of Newman (Figure 3). It is located along the southeast margin of the Split-Rock Supersuite, which is considered regionally prospective for lithium bearing pegmatites. Rockchip sampling in the Sept quarter 2023 returned only slightly anomalous lithium values so more sampling is required to assess its potential.

Pilbara gold projects

E47/4462 and E47/4463 are considered prospective for gold and base metals, including nickel, and are located ~75km southeast of the regional centre of Karratha and in a region comprising significant mineral discoveries**.** QXR holds 50% of the ELs with the balance held by the introducer of the licenses, Pilbara Base Metals Pty Ltd. No significant work was undertaken during the reporting period.

Liberty Lithium Brine Project

The Company 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**) (*ASX announcement 5 October 2023)*.

The Liberty Lithium Brine Project, located in SaltFire Flat, California, is made up of 1,265 contiguous claims over 102km^2 (25,300 acres), being one of the largest single lithium brine projects in the USA (for scale, equivalent to 2x area of Sydney Harbour). 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 USA and major Argentina brine projects.

The first vertical diamond drill hole has been completed at 369 metres depth. The target horizons were intersected at 49m depth and 329m depth. Large brine volumes (>20,000 litres) were pumped into containers. Fine grained sediments, gravels and coarse alluvial fan material were intersected down the length of the hole.

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Directors' Report (continued)

The second vertical diamond drill hole is located 4km to the south and is centred over a significant MT geophysical target that has been interpreted as suggesting a series of conductive brine bearing aquifers at depth. Drilling of the second drill hole undertaken in Jan-Feb 2024. Samples were sent to the lab with results expected in March. Both holes are positioned within an extensive lithium brine surface anomaly of over 10km defined in auger samples (**figure 6**).

Figure 6: Location map of Liberty Lithium area (SaltFire Flat Project)

Figure 7: The drill rig on the first drill hole as seen from the second hole site at the Liberty Lithium Brine Project

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Directors' Report (continued)

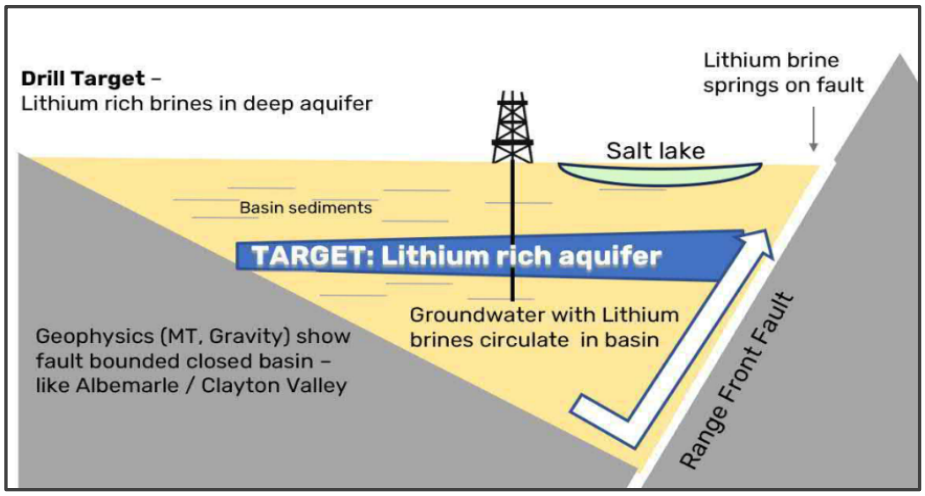

Figure 8: Stylised Target Aquifer in modelled cross section of basin - Liberty Lithium Project
(*ASX announcement 5 October 2023 presentation*).

Queensland Gold Project (70%)

QX Resources holds gold project areas strategically located within the Drummond Basin that has >6.5moz gold endowment and a long history of ongoing mining (**Figure 9**). The Company holds a 70% equity interest in four (4) exploration licenses in the Central Queensland goldfields covering ~115km^2 that includes two historical open pit gold mines, the Belyando and Lucky Break Mines as well as multiple unexplored targets. The projects are part of an agreement with Zamia Resources Pty Ltd, a wholly-owned subsidiary of Zamia Metals Limited.

Red Dog, Disney and Lucky Break Projects

A previous trenching program was completed at the Big Red and Red Dog gold prospects with significant gold mineralisation reported. A reverse circulation drilling campaign is planned across the prospects.

No ground exploration was undertaken at the projects during the reporting period.

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Directors' Report (continued)

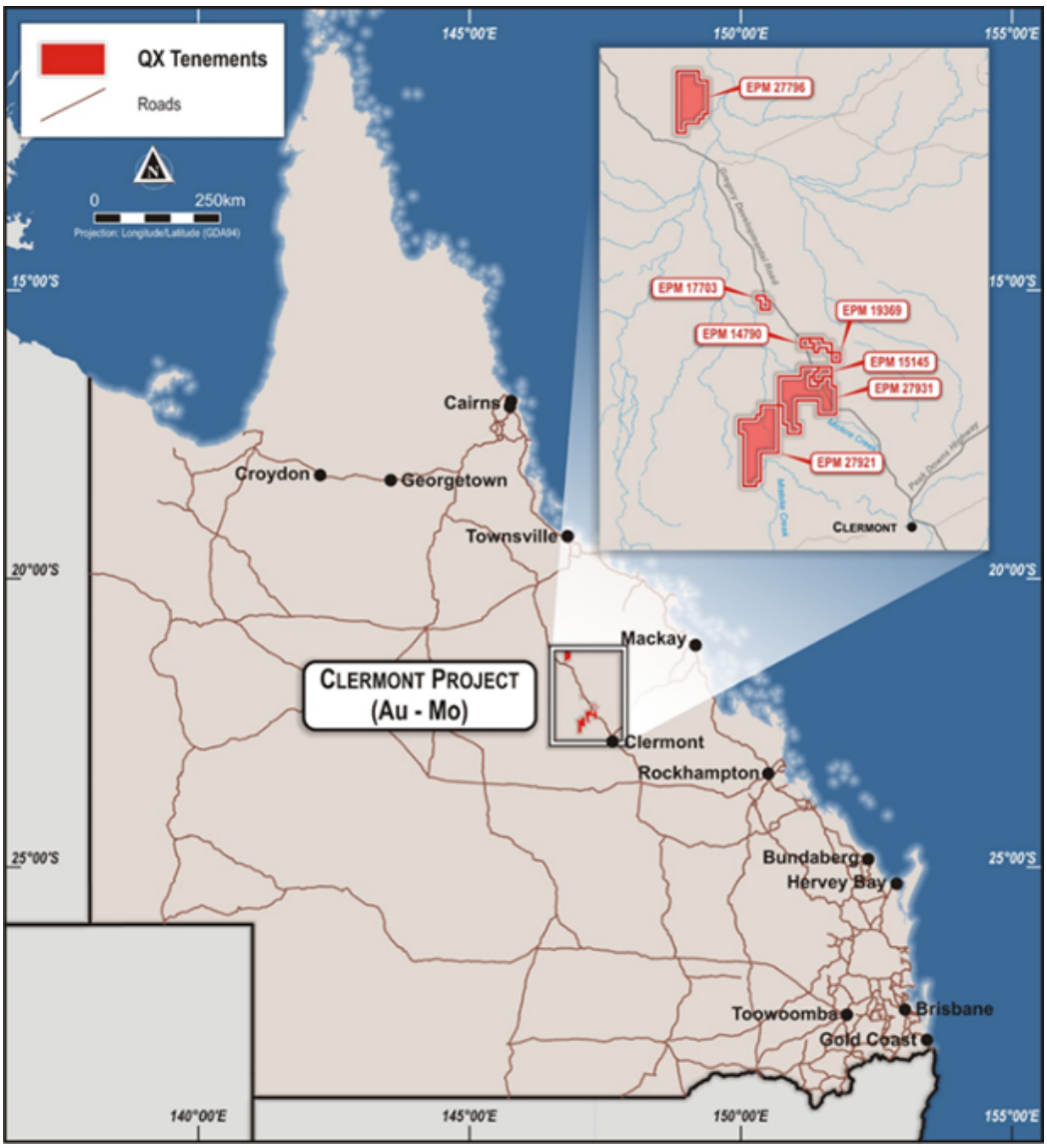

Figure 9: QX Project location map, Drummond Basin QLD

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Directors' Report (continued)

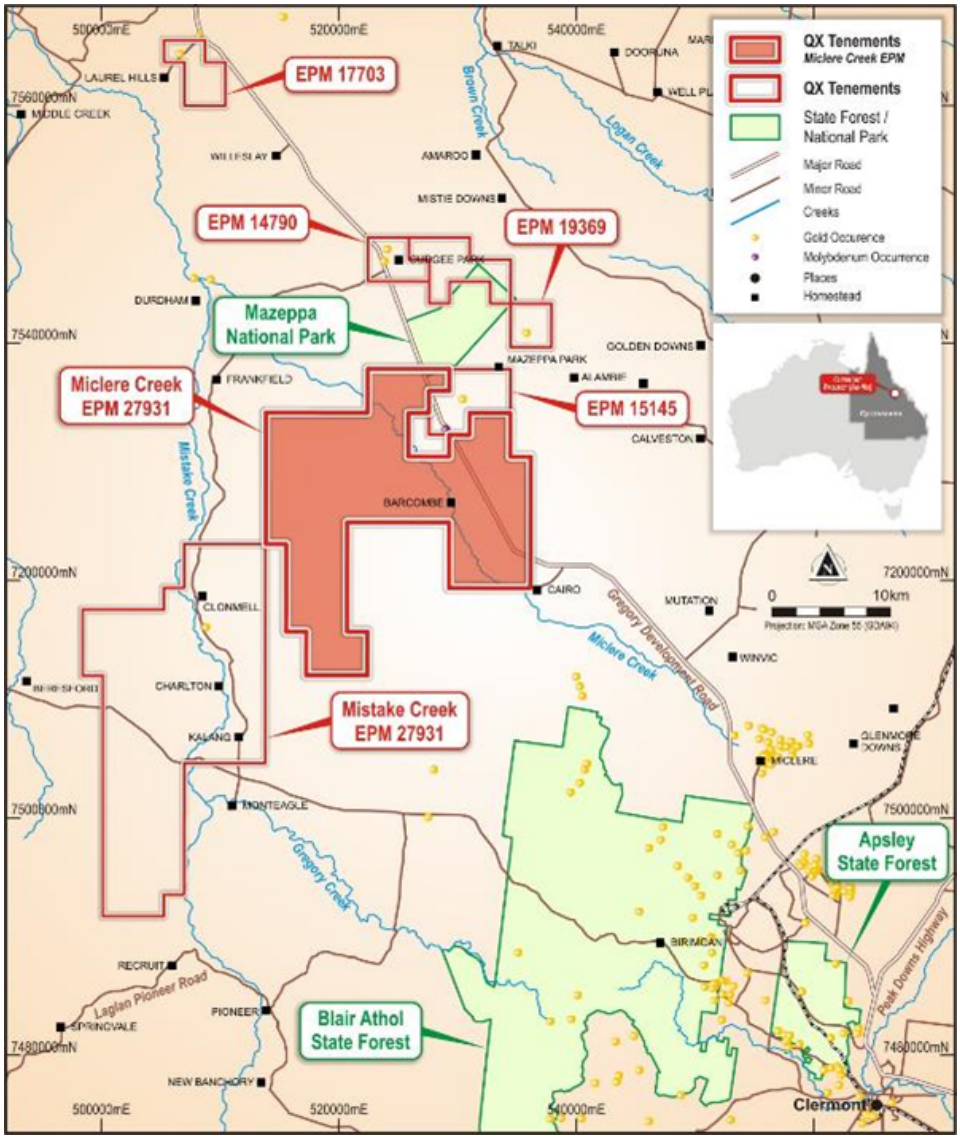

Figure 10: QX Project – detailed location map, Drummond Basin QLD

Llanarth Tenement, Drummond Basin (100% owned)

On 21 December 2021, the Queensland Department of Resources granted the Company an Exploration Licence over the 232km^2 Llanarth tenement which is prospective for gold and silver mineralisation QXR first applied for an Exploration Permit for Minerals (EPM) in January 2021 to expand its footprint in the Basin where it now holds 347km^2 of ELs and EPMs.

Anthony Molybdenum project

The advanced stage Anthony Molybdenum (Mo) deposit ('Anthony') sits within QX's 115km^2 of permits in Central Queensland. During the December quarter, the Company announced that various workstreams were underway at Anthony, including: Stage 1 metallurgical test work and the conversion of the historic JORC 2004 resource to 2012 classification. Working with the Company's technical team is experienced metallurgist and mineral economic consultant Dr Colin Seaborn, appointed to evaluate metallurgical opportunities for the oxide component (surface to 70m depth) of the Anthony molybdenum deposit. Dr Seaborn has a deep understanding of the Anthony deposit having historically consulted to Zamia Limited (Zamia) and commissioning the initial test work on the Molybdenum oxide material.

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Directors' Report (continued)

Bayrock Resources Limited Investment

On 16 March 2023, the Company announced that it had entered into a framework agreement with Bayrock Resources Limited (**Bayrock**) to assist Bayrock with financing and development of its Projects, being the Lainejaur and Northern Nickel Line projects in northern Sweden (**Figure 11**) (ASX announcement 16 & 22 March 2023). QX Resources acted as underwriter to Bayrock's capital raising in 2023 and following the conversion of QXR-provided secured loans and fees, QXR now holds a significant ~39% of Bayrock's issued capital. Bayrock is led by an experienced management team with a strong track record of exploration success as well as particular expertise the development of sulphide nickel-cobalt deposits.

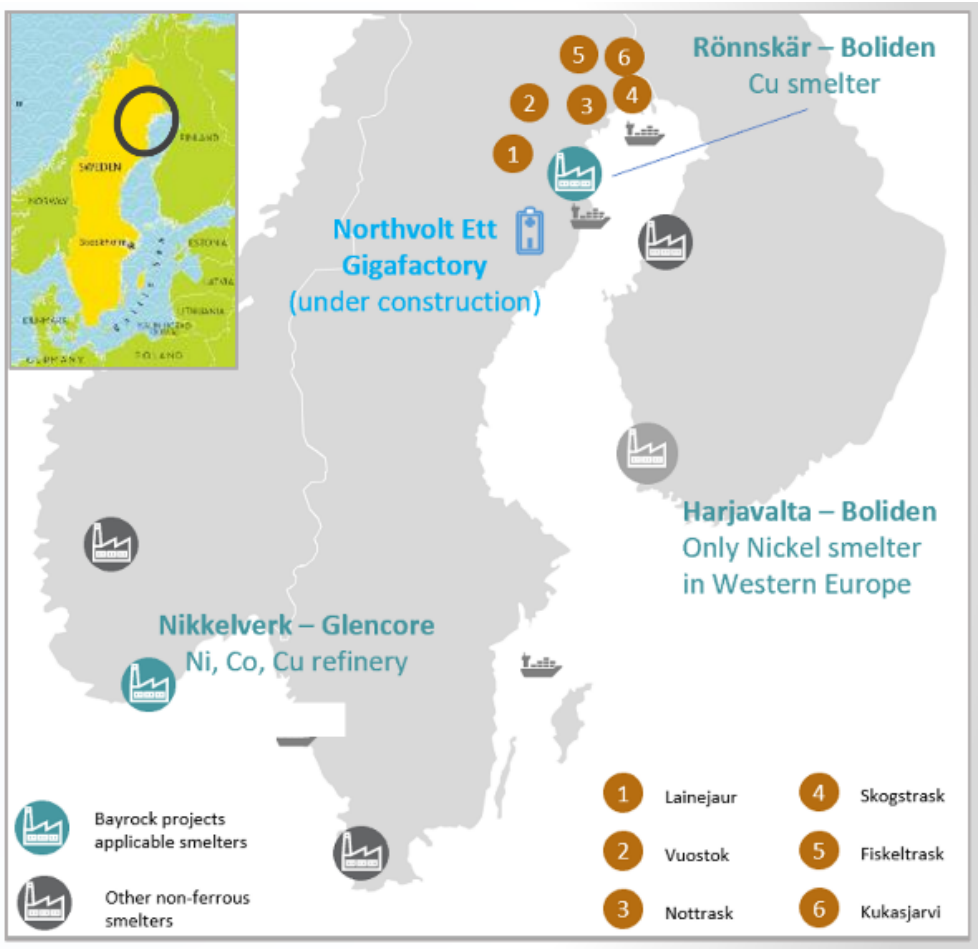

Figure 11: Map of the Bayrock battery mineral projects

Corporate

Shareholder Meetings

On 29 November 2023, all resolutions put to Shareholders at the Company's Annual General Meeting were passed by way of a poll.

Placement

On 10 October 2023 the Company announced that it had received firm commitments for a placement of ~A$3.093 million (before costs) through the issue of 140,577,273 new ordinary shares at an offer price of $0.022 per share to professional and sophisticated investors ("Placement"). The Placement subsequently increased to ~$3.5 million (before costs), including participation by directors following Shareholder approval.

Director Resignation

On 27 October 2023, the Company advised of the resignation of Benjamin Jarvis as a director of the Company.

Change of Auditor

On 15 December 2023, the Company announced Moore Australia Audit (WA) had been appointed as the Company's auditor with effect from 14 December 2023. The appointment followed the resignation of RSM Australia Partners and ASIC's consent to same.

Change of Registered Address

On 14 December 2023, the Company advised of the change of its Registered Office and Principal Place of Business.

Subsequent Events

No material events occurred subsequent to the end of the 31 Dec 2023 half year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Maurice Feilich
Executive Chairman

Perth, Western Australia, 13 March 2024

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Competent Person's Statement

The information in this report that relates to the Ibis project 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 (FAusIMM), Fellow of the Australian Institute of Geoscientists (FAIG), 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.

MOORE

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF QX RESOURCES LIMITED

As auditor for the review of QX Resources Limited and its subsidiaries for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements as set out in *the Corporations Act 2001* in relation to the review, and

b) no contraventions of any applicable code of professional conduct in relation to the review.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth on the 13th day of March 2024.

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An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	Consolidated Half-Year 31 Dec 2023 $	Consolidated Half-Year 31 Dec 2022 $
Gain on disposal of listed investments		-	13,301
Fair value gain on investments	3	12,507	-
Other income		109,484	-
Expenses			
Share of losses of associates accounted for using the equity method	6	(7,982)	(59,022)
ASX and share registry fees		(63,338)	(60,920)
Company secretarial expenses		(18,000)	(18,000)
Consultants and travel		(4,772)	(12,349)
Employee and director benefits expense		(151,204)	(152,000)
Exploration costs written off		(230,281)	(459,689)
Finance costs		(2,347)	(2,565)
Impairment expense		-	-
Loss on disposal of listed investments		(1,295)	-
Other expenses		(235,433)	(159,413)
Share-based payments expense		(674,126)	(48,100)
Fair value loss on investments		-	(19,761)
Loss before income tax expense		**(1,266,787)**	**(978,518)**
Income tax expense		**-**	**-**
Loss after income tax for the half-year		**(1,266,787)**	**(978,518)**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to operating result			
Foreign currency translation differences		-	-
Total comprehensive loss for the half-year		**(1,266,787)**	**(978,518)**
Basic and diluted loss per share (cents per share)		(0.13)	(0.11)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at 31 December 2023

	Note	Consolidated 31 December 2023 $	Consolidated 30 June 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents		2,010,519	1,824,637
Trade and other receivables		59,982	1,019,402
Investments	7	168,707	144,773
Total Current Assets		**2,239,208**	**2,988,812**
Non-Current Assets			
Investments	7	2,822,963	255,000
Investments accounted for using the equity method	6	2,390,363	919,291
Total Non-Current Assets		**5,213,326**	**1,174,291**
TOTAL ASSETS		**7,452,534**	**4,163,103**
LIABILITIES			
Current Liabilities			
Trade and other payables		701,117	246,593
Total Current Liabilities		**701,117**	**246,593**
TOTAL LIABILITIES		**701,117**	**246,593**
NET ASSETS		**6,751,417**	**3,916,510**
EQUITY			
Issued capital	3	52,460,980	49,033,422
Reserves		1,601,169	1,219,575
Accumulated losses		(47,310,732)	(46,336,487)
TOTAL EQUITY		**6,751,417**	**3,916,510**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Issued capital $	Accumulated losses $	Share-based payments reserve $	Total $
Balance at 1 July 2022	**48,086,346**	**(44,366,913)**	**999,125**	**4,718,558**
Loss for the half-year	-	(978,518)	-	(978,518)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(978,518)**	**-**	**(978,518)**
Transactions with owners in their capacity as owners:				
Issue of shares	837,500	-	-	837,500
Issue of share-based payments	-	-	48,100	48,100
Share issue costs	(4,037)	-	-	(4,037)
Total transactions with owners	833,463	-	48,100	881,563
Options exercised	116,250	-	(116,250)	-
Balance at 31 December 2022	**49,036,059**	**(45,345,431)**	**930,975**	**4,621,603**
Balance at 1 July 2023	**49,033,422**	**(46,336,487)**	**1,219,575**	**3,916,510**
Loss for the half-year	-	(1,266,787)	-	(1,266,787)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(1,266,787)**	**-**	**(1,266,787)**
Transactions with owners in their capacity as owners:				
Issue of shares	3,628,346	-	10	3,628,356
Issue of share-based payments	-	-	674,126	674,126
Share issue costs	(200,788)	-	-	(200,788)
Total transactions with owners	3,427,558	-	674,136	4,101,694
Transfer of reserves to accumulated losses	-	292,542	(292,542)	-
Balance at 31 December 2023	**52,460,980**	**(47,310,732)**	**1,601,169**	**6,751,417**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Consolidated Half-Year 31 Dec 2023 $	Consolidated Half-Year 31 Dec 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(549,671)	(355,327)
Interest received	1,484	-
Interest paid	(2,175)	(1,954)
Net cash used in operating activities	**(550,362)**	**(357,281)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(237,888)	(292,449)
Payments for acquisition of associates	-	(66,658)
Payments for investments	(2,162,550)	(95,000)
Payments for loans to other entities	(19,904)	(375,000)
Proceeds from sale of investments	-	110,938
Net cash used in investing activities	**(2,420,342)**	**(718,169)**
CASH FLOW FROM FINANCING ACTIVITIES		
Cash received from issue of shares and options	3,329,956	837,500
Share issue costs	(150,788)	(4,037)
Repayments of borrowing	(22,582)	-
Net cash provided by/(used in) financing activities	**3,156,586**	**833,463**
Net decrease in cash held	**185,882**	**(241,987)**
Cash and cash equivalents at the beginning of the half-year	1,824,637	3,637,449
Cash and cash equivalents at the end of the half-year	**2,010,519**	**3,395,462**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 1 – Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Group during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and Revised Accounting Standards

In the half-year ended 31 December 2023, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the annual reporting period beginning on or after 1 July 2023. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2 – Segment Information

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Directors.

The Group is currently operating in one business segment being the mining sector and one geographic segment being Australia.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 3 – Issued Capital

	31 December 2023 $	30 June 2023 $
Issued capital		
Ordinary shares	**52,460,980**	49,033,422
	52,460,980	49,033,422

(a) Movements for the period:

Ordinary shares	No. of Shares	$
Opening balance as at 1 July 2023	896,862,321	49,033,422
Placement shares	158,390,813	3,478,346
Shares issued for project acquisition	4,824,720	150,000
Shares issued as collateral for ATM facility	50,000,000	-
Conversion of options	-	-
Share issue costs	-	(200,788)
Closing balance as at 31 December 2023	1,110,077,854	52,460,980

(b) Options outstanding over ordinary shared capital as at the reporting date were as follows:

	Expiry date	Exercise price ($)	Balance at start of the period	Number issued during the period	Number exercised during the period	Number expired during the period	Balance at end of the period
Unlisted option	5/10/2023	$0.035	17,500,000	-	-	17,500,000	-
Unlisted option	11/03/2024	$0.062	15,000,000	-	-	-	15,000,000
Unlisted option	29/12/2023	$0.025	10,000,000	-	-	10,000,000	-
Unlisted option	29/12/2024	$0.035	10,000,000	-	-	-	10,000,000
Unlisted option	29/12/2025	$0.050	10,000,000	-	-	-	10,000,000
Unlisted option	28/12/2023	$0.035	-	50,000,000	-	-	50,000,000
			62,500,000	50,000,000	-	27,500,000	85,000,000

For the options granted during the half-year ended 31 December 2023, the Black Scholes valuation model was used to determine the fair value of the options. The inputs used to determine the fair value at the grant date are detailed below. The Company recognised $674,126 in the statement of profit or loss and other comprehensive income during this period related to the vested portion of these options.

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Number of options	Value per option	Fair value at grant date
28/12/2023	28/12/2026	$0.024	$0.035	100%	Nil	4.00%	50,000,000	$0.0135	$674,126
							50,000,000		$674,126

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 4 – Dividends

No dividends were declared or paid during the half-year ended 31 December 2023 (31 December 2022: Nil).

Note 5 – Related Party Transactions

(a) Transactions and balances with related parties

Below are transactions and balances with directors and director-related entities for the half year ended 31 December 2023:

Related Party	Type of Service	31 December 2023 $
Expenses		
Minerva Corporate Pty Ltd [1]	Company secretarial services	**22,500**
Six Degrees Group Holdings Pty Ltd [2]	Public relation services	**12,200**
Stephen Promnitz	Share based payments expense – director options	**202,238**
Total Expenses		**236,938**
Liabilities		
Minerva Corporate Pty Ltd [1]	Director fees and company secretary services included in trade payables	**16,500**
Six Degrees Group Holdings Pty Ltd [2]	Director fees and public relation services included in trade payables and accruals	**2,000**
Every Day Hire Pty Ltd [3]	Director fees and geological consulting fees included in accruals	**4,000**
Total Liabilities		**22,500**

[1] Daniel Smith is a Director and shareholder of Minerva Corporate Pty Ltd, a company which provides accounting, company secretary and non-executive director services to the Group.
[2] Benjamin Jarvis is a Director and shareholder of Six Degrees Holdings Pty Ltd, a company which provides public relation and non-executive director services to the Group.
[3] Roger Jackson is a Director and shareholder of Every Day Hire Pty Ltd, a company which provides geological consulting and non-executive director services to the Group.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 6 – Interests in Associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership Interest	
Name	**Principal Place of Business / Country of Incorporation**	**31 December 2023** %	**30 June 2023** %
Zamia Resources Pty Ltd	Australia	**70.00%**	70.00%
Bayrock Resources Ltd	Australia	**39.00%**	-

Summarised financial information

Reconciliation of the Consolidated Entity's Carrying Amount		
Opening Carrying Amount	**919,291**	904,989
Contributions to increase investment in Zamia Resources Pty Ltd	**15,604**	88,704
Share of Loss after Income Tax in Zamia Resources Pty Ltd	**(7,982)**	(74,402)
Reclassification of investment - Bayrock Resources Ltd	**255,000**	-
Contributions to increase investment in Bayrock Resources Ltd	**1,208,450**	-
Closing Carrying Amount	**2,390,363**	919,291

During the half-year ended 31 December 2023 the movement in the Interest in Associates relates to the share of loss during the period as well as contributions in the exploration and project development of Zamia Resources Pty Ltd and Bayrock Resources Ltd.

Note 7 – Investments

	31 December 2023	**30 June 2023**
Current		
Financial assets at fair value through profit or loss		
	168,707	144,773
Movement		
Balance at beginning of period	**144,703**	334,764
Additions	**22,000**	115,000
Disposals	**(9,278)**	(287,958)
Gain/(loss) on disposals	**(1,295)**	55,822
Revaluation increments/(decrements)	**12,507**	(72,855)
Balance at end of period	**168,707**	144,773

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Note 7 – Investments (continued)

	31 December 2023	30 June 2023
Non-Current		
Investment – Next Battery Ltd	**755,951**	755,951
Less: Impairment of investment	**(755,951)**	(755,951)
Investment – Bayrock Resources Ltd	**255,000**	255,000
Less: Reclassification to Interest in Associates	**(255,000)**	-
Investment – US Liberty Brine	**75,529**	-
Add: Additional funds invested in US Liberty Brine	**2,747,434**	-
Balance at end of period	**2,822,963**	255,000

As announced on 5 October 2023, the Company entered into an option agreement whereby the Company can earn a 75% interest in the Liberty Brine project through a combination of option payments (totalling US$2 million) and work commitments (totalling US$1.2 million). As at 31 December 2023, the Company had incurred expenditure of approximately USD$1.97m and is yet to earn an equity interest in the Project.

Note 8 – Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date (30 June 2023).

Note 9 – Events Subsequent to Reporting Date

No material events occurred subsequent to the end of the 31 Dec 2023 half year.

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Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
   (a) Complying with the Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Executive Chairman
Maurice Feilich

Perth, Western Australia, 13 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QX RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of QX Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year then ended, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF METALS AUSTRALIA LIMITED (CONTINUED)

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and

ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 13th day of March 2024.

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