

4 July 2023

QXR Secures 39% of Bayrock Resources Limited

HIGHLIGHTS

- **Bayrock Resources Limited (Bayrock)**, an unlisted public Australian company with a portfolio of highly prospective battery minerals exploration and development assets in Sweden, has successfully completed its A\$1.8 million rights issue, with ~\$600,000 raised from existing Bayrock shareholders
- QX Resources acted as underwriter and following the conversion of QXR-provided secured loans and fees, QXR now holds a significant ~39% of Bayrock's issued capital
- Bayrock has a portfolio of highly prospective battery minerals assets in Sweden, primarily in nickel, cobalt and copper. Following completion of the Rights Issue, Bayrock completed the acquisition of all of the Bayrock projects, and is now funded to carry out further exploration at Lainejaur and the Northern Nickel Line projects in Sweden
- A diamond drill rig has been mobilised to the Vuostok project, a near surface nickel-copper project within the Northern Nickel Line, with a series of approximately 15 shallow drillholes (~450m) planned
- Assay results for the diamond hole at Lainejaur are due in the coming weeks

QX Resources Limited (ASX:QXR) is pleased to announce that Bayrock Resources Limited (**Bayrock**) has successfully completed its rights issue to raise A\$1.8 million through the issue of new shares at \$0.03 per share (before costs) (**Rights Issue**). Existing Bayrock shareholders subscribed for ~\$600,000 under the Rights Issue. QXR was the underwriter to the Rights Issue, and following the conversion of QXR-provided secured loans to Bayrock, and fees payable to QXR, QX Resources Limited now holds a ~39% interest in the issued capital of Bayrock. Further details of the Underwriting Agreement are set out in the Annexure to the Company's announcement dated 8 May 2023.

Bayrock has a portfolio of highly prospective battery minerals assets in Sweden, primarily in nickel, cobalt and copper. Bayrock is now fully funded to carry out its planned exploration activities at the Lainejaur Ni-Cu-Co project and the Northern Nickel Line projects, Sweden.

Bayrock Exploration Update

Bayrock has engaged a Scandinavian drilling company to mobilise a diamond drill to the Vuostok project, a near surface nickel-copper project within the Northern Nickel Line projects. Approximately 15 shallow drill holes (~450m) are planned at the Storbodsund Deposit within the Vuostok project, where high-grade nickel and copper was previously intersected 70 years ago in a flat-lying deposit of near-surface sulphides (within 20m of surface), covered by a thin veneer of glacial moraine.

In the recent Bayrock Prospectus (5 May 2023), available on the Bayrock website www.bayrockresources.com/site/investor-centre/investors-centre, the Vuostok Ni-Cu sulphide Project mineralization is described as a shallow flat-lying body of massive Ni-Cu sulphides (average grade of 2.3% Ni and 0.6% Cu (including up to 3.7% Ni), between 0.3 and 3.9 meters thick, covered by glacial sediments. The sulphides were intersected by six Boliden Minerals AB drill holes completed during copper exploration in 1947 and the deposit remains open to the north, west and south. The mineralization is located close to the basal section of a gabbroic intrusive along the contact with underlying granite.

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The Vuostok project is located about 60km northwest of the Lainejaur Project. The aim of the drilling is to identify and characterise sufficient mineralisation within potential trucking distance of the Lainejaur project to advance the potential for future stand-alone nickel-copper operations or additional ore feed for a potential Lainejaur operation. The two deposits are connected by all-weather roads and both are close to considerable support infrastructure.

As announced 14 June 2023, drilling at the Lainejaur Ni-Cu-Co project intersected visual sulphide mineralisation. Bayrock is expecting final assay results and an analysis of the results from the diamond drill hole at Lainejaur in the coming weeks.

Comment

QX Resources Executive Chairman Maurice Feilich commented: “Bayrock has received excellent support from its existing shareholder base, and together with QXR’s investment, the Company is sufficiently capitalised to deliver further value through ongoing drilling in Sweden. We are encouraged with progress to date and look forward to first assays from the Lainejaur Ni-Cu-Co project and updates from the program at Vuostok where the drill rig is turning.

“QXR also expects to shortly provide shareholders with plans for the next phase of exploration activities planned at its Pilbara lithium assets which remain an important focus for the Company.”

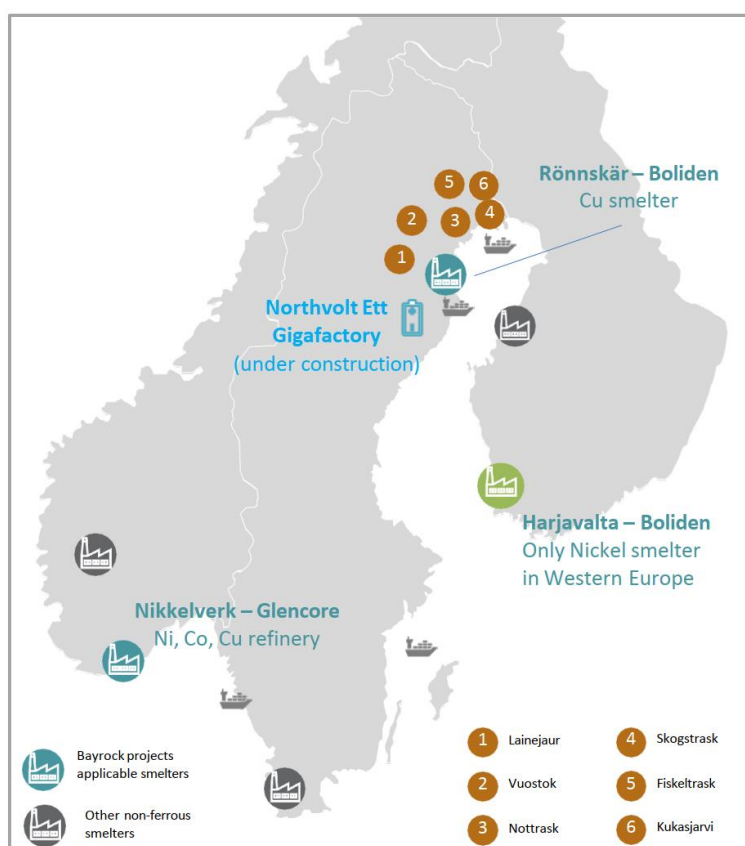


Figure 1: Location of Bayrock Projects in Sweden

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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 investment 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 Dr Ian Pringle, a Director and Shareholder of the Company, who is a 25+ year Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), Member of the Australian Institute of Geoscientists and a Member of Australian Institute of Company Directors. Dr Pringle 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". Dr Pringle 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.

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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.