QX Resources Limited

11 July 2023

High Grade Nickel-Copper-Cobalt including 4.7m @ 2% Ni Intersected at Bayrock's Lainejaur Deposit

HIGHLIGHTS

- **High grade diamond drill results include 4.7m at 2.0% Ni, 1.6% Cu and 0.1% Co from 283m downhole, within a mineralised section of 22m downhole.**
- **Unlisted public Australian company Bayrock Resources Limited has a portfolio of highly prospective battery minerals exploration and development assets in Sweden. QXR holds a significant ~39% interest in the company.**
- **A 450 metre diamond drilling program (16 hole) is underway at a second asset in Sweden, the Vuostok project, a near surface nickel-copper project within trucking distance of Lainejaur.**

QX Resources Limited (ASX:QXR) is pleased to announce that 39%-owned Bayrock Resources Limited (**Bayrock**) has confirmed high grade Nickel-Copper-Cobalt in drill results at Bayrock's Lainejaur Deposit. The Lainejaur Deposit is a high-grade nickel-cobalt-copper deposit located near the town of Malå in northern Sweden.

Diamond drill assay results for **LAI23001 include 4.7m at 2.0% Ni, 1.6% Cu and 0.1% Co from 283m downhole, within a mineralised section of 22m @ 0.61% Ni, 0.52% Cu and 0.04% Co from 267m downhole.**

QX Resources Executive Chairman Maurice Feilich commented: *"Bayrock is starting to deliver very encouraging assays from this first stage of drilling at the Lainejaur Deposit. Confirming almost 5 metres at 2% Ni is a great start and validates our investment. It is pleasing to note that drilling is also well-advanced at Vuostok, a highly prospective project with solid historical grades, and we look forward to sharing Bayrock's results from here too."*

Diamond drillhole LAI23001 was completed to a final depth of 299.9m. The hole was drilled at a steep angle (-70°) towards grid south in order to intersect the target sulphide mineralisation close to true thickness (refer Figure 1). The drillhole intersected minor disseminated sulphide mineralisation from ca. 260m above a heavily mineralised gabbro containing variable amounts of pyrrhotite, pentlandite and chalcopyrite between approximately 284-290m (see ASX announcement 14 June 2023).

This drill hole and assay results successfully confirmed the historic mineralisation and geological interpretation of high grade nickel, copper, and cobalt (Ni-Cu-Co) mineralisation within a broader mineralised envelope within a gabbro host. Previous drill results [1] included:

- 7.65m @ 2.10% Ni, 0.10% Co & 1.01% Cu from 168m in LAI-07-010
- 5.18m @ 2.64% Ni, 0.10% Co & 0.06% Cu from 215.9m in LAI-07-14A
- 9.88m @ 2.28% Ni, 0.17% Co & 0.61% Cu from 277.35m in LAI-07-15

The Ni-Cu-Co mineralisation is currently open to the north in a down-dip position (refer Figure 1, 4). Deep extensional drilling has been planned for the winter drilling season (Feb-Mar 2024). Potential repeats of the mineralisation are indicated in the geophysics (magnetics and GeoTEM) with a 6km extension potential which is almost undrilled (refer Figure 5). This extended area has been consolidated and owned 100% for the first time by Bayrock, together with the historical workings at Lainejaur, in a lease area of 41km^2.

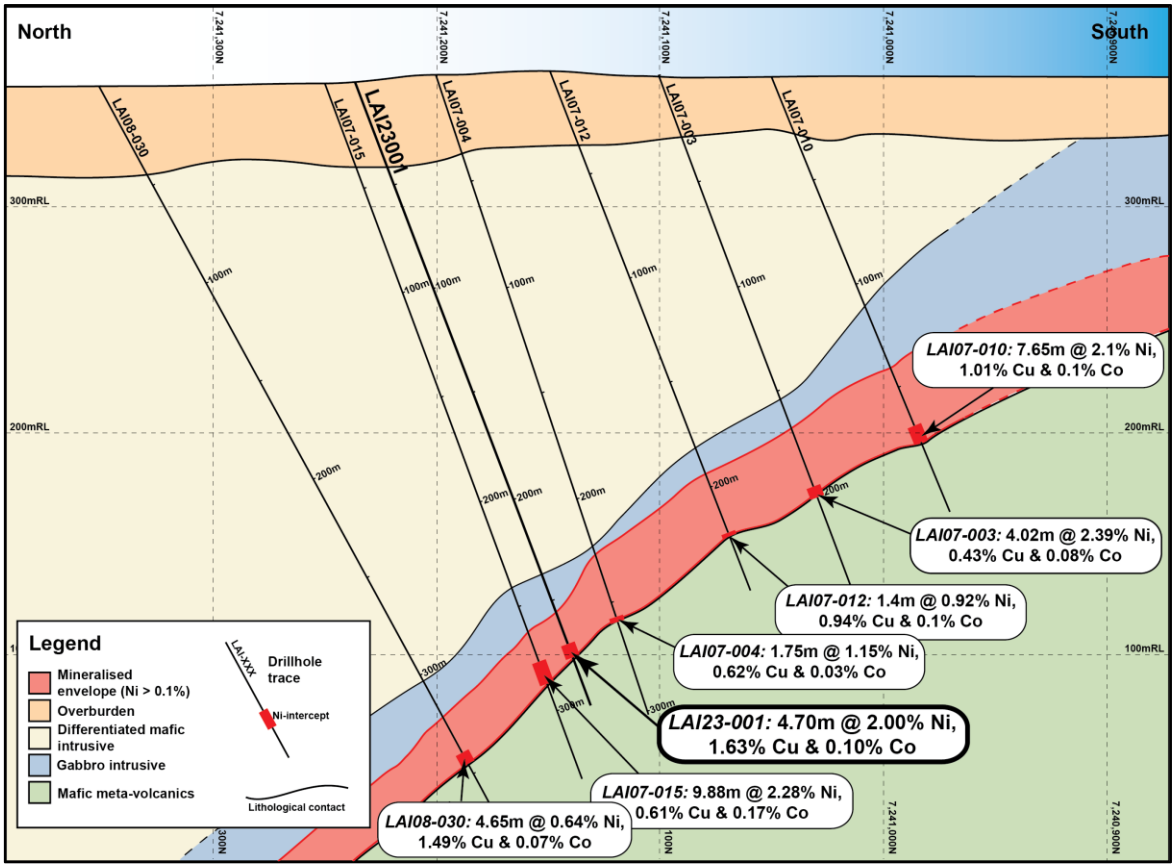

Figure 1: Drillhole cross-section of the Lainejaur nickel deposit showing mineralised intercepts

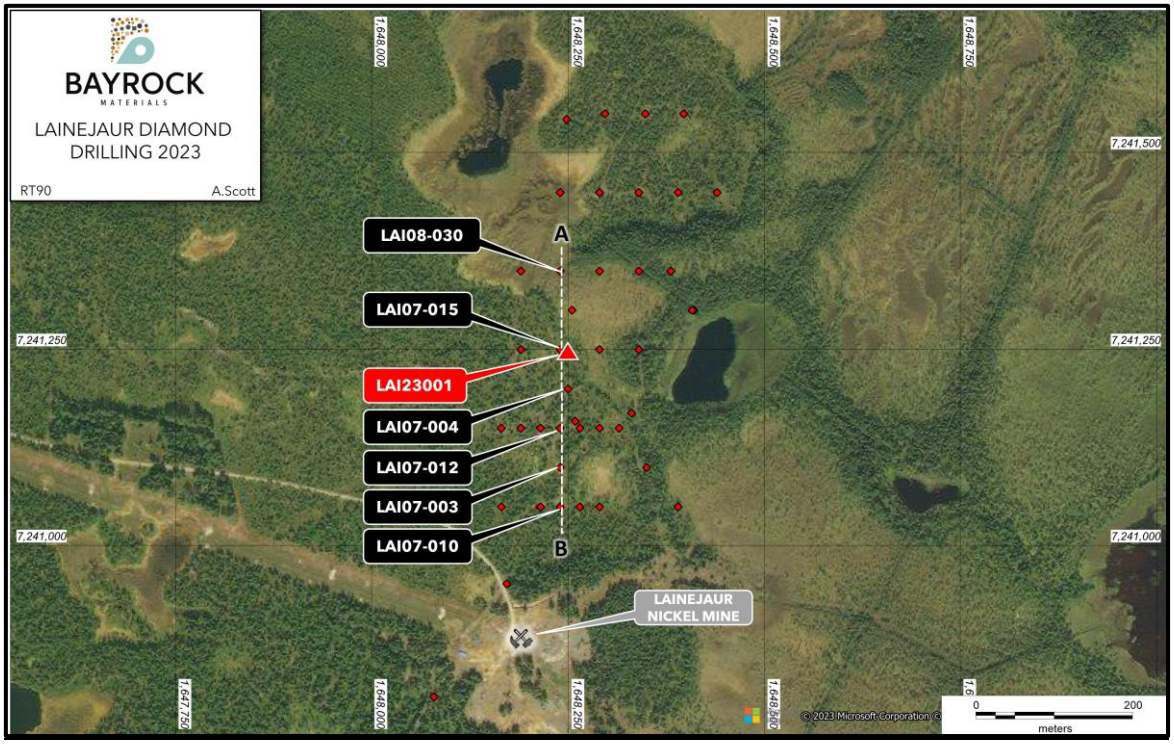

Figure 2: Lainejaur drillhole location plan map showing cross-section profile A-B in Figure 1 and the location of the historical mine.

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. QX Resources Limited holds a ~39% interest in the issued capital of Bayrock *(see ASX announcement 4 July 2023).*

Bayrock is currently diamond drilling a series of 16 shallow holes (~450m) at the Vuostok project, a near surface nickel-copper project within the Northern Nickel Line projects. High-grade nickel and copper sulphides were previously intersected 70 years ago in a flat-lying deposit of near-surface sulphides (within 20m of surface). Massive Ni-Cu sulphides (average grade of 2.3% Ni and 0.6% Cu (including up 3.7% Ni), between 0.3 and 3.9 meters thick, are covered by a thin veneer of glacial sediments (see ASX announcement 4 July 2023).

The Vuostok project is located about 60km northwest of the Lainejaur Project (refer Figure 3). 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. Trucking ore material for processing is a regular feature of operations in this part of Northern Sweden.

The Lainejaur Project, located in Västerbotten County, comprises a single exploration permit owned by Bayrock's wholly owned subsidiary Metalore Pty Ltd and hosts the historic Lainejaur mine and deposit. The historic underground nickel mine (Lainejaur Gruvan, Figure 2) which operated during World War II produced approximately 100,000t grading 2.2% Ni. A JORC 2012 Mineral Resource Estimate completed in 2018 established an Inferred Mineral Resource of 460,000t @ 2.2% Ni, 0.15% Co, 0.70% Cu, 0.68g/t Pd, 0.20g/t Pt and 0.65g/t Au.(1) Potential exists for extensions down-dip and surrounding this resource. Access to the site is via sealed road from Malå then via forest tracks around the Project area. Malå is the district office of the Swedish Geological Survey and a suitable support base for the Project. Further information is available at: www.bayrockresources.com together with Bayrock's announcement which accompanies this ASX release.

1 Refer Berkut Minerals ASX Announcement 12 February 2018, "High Grade Nickel-Cobalt Resource Estimate at Lainejaur" in compliance with The JORC Code, 2012 Edition.

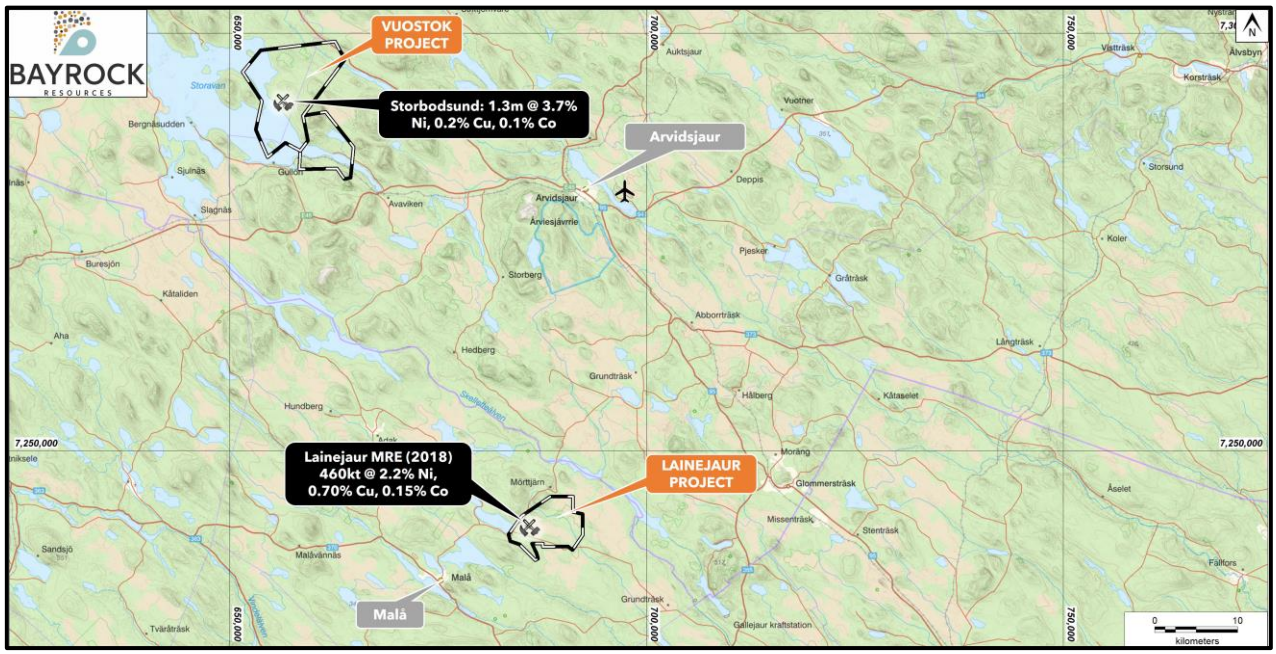

Figure 3: Lainejaur and Vuostok Project location map showing relative proximity of projects connected by sealed roads capable of supporting trucking of ore material.

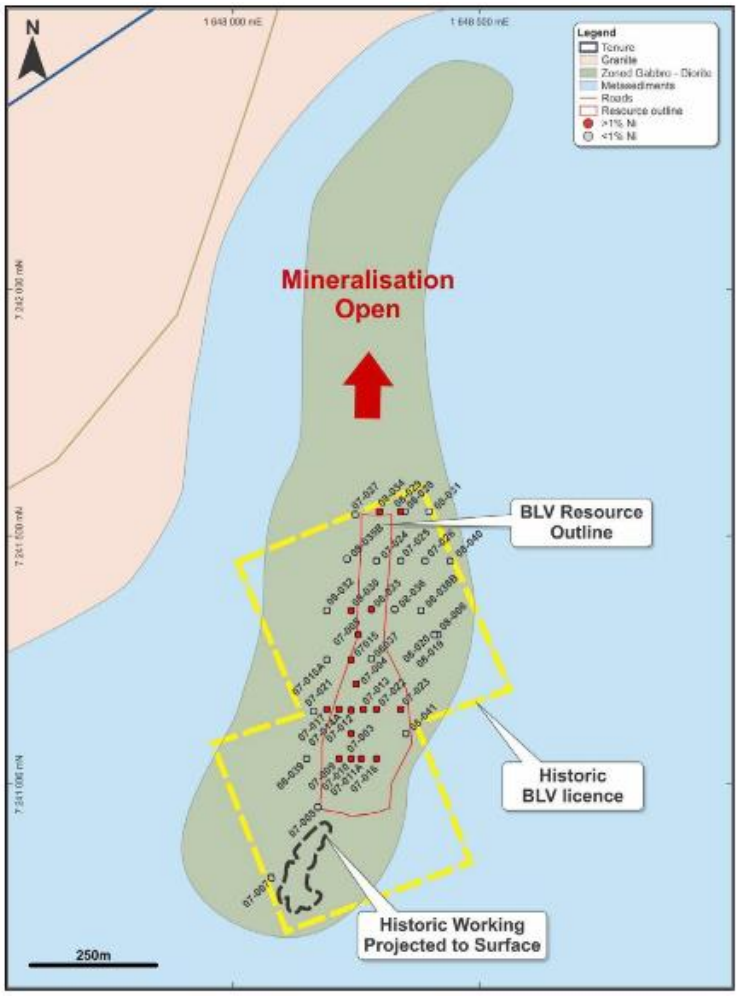

Figure 4: Lainejaur historic drillhole location map showing current resource and historical mine workings.

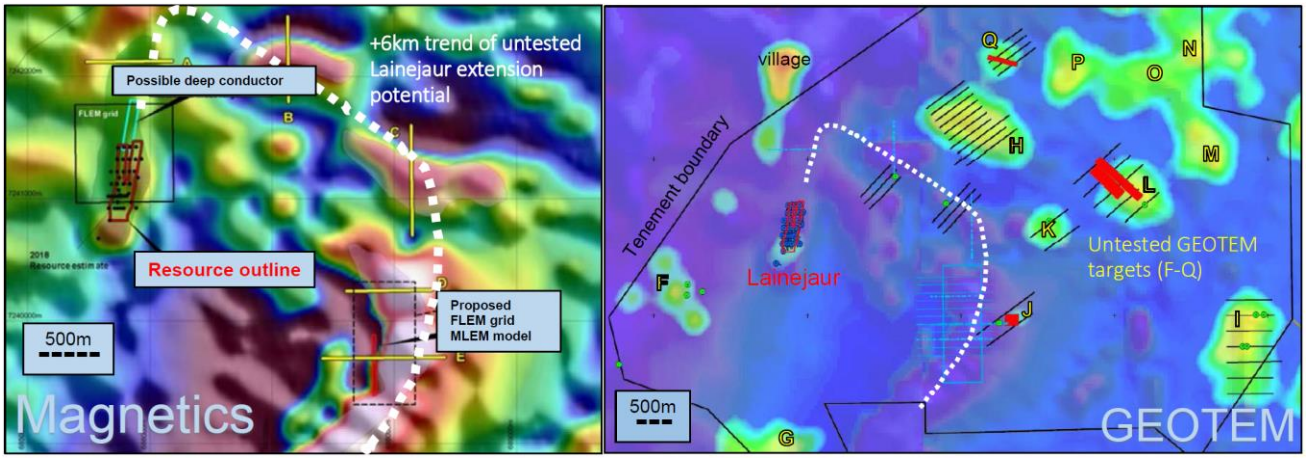

Figure 5: Location of magnetic and Geotem geophysical targets close to the Lainejaur deposit and under a thin blanket of transported sediment (moraine).

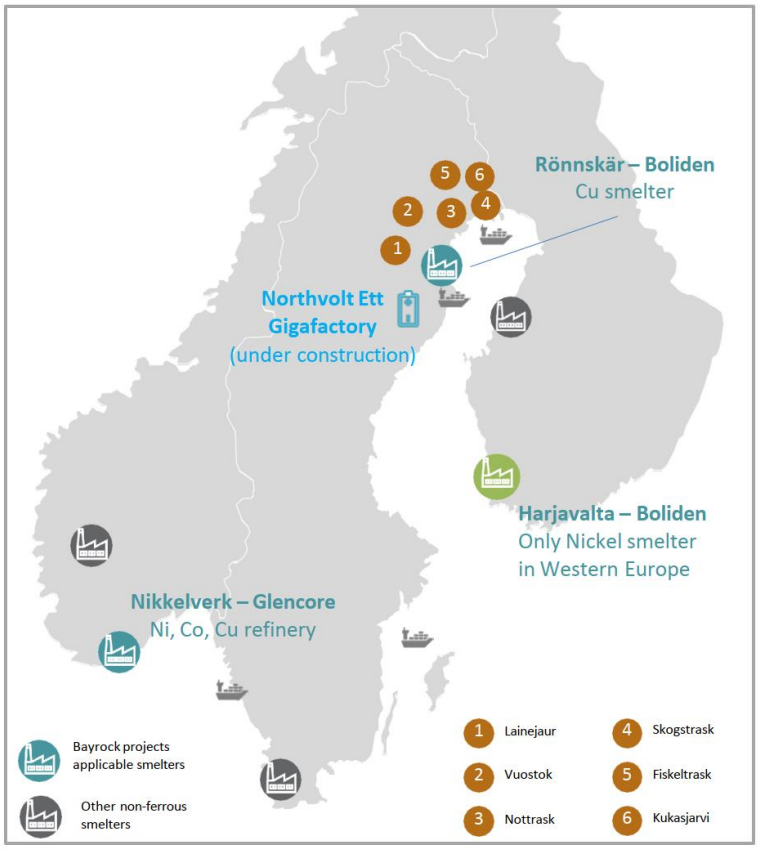

Figure 6: Location of Bayrock Projects in Sweden

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 km^2.

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 Dr Ian Pringle, a Director and Shareholder of Bayrock Resources Limited, 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.

Bayrock confirms that it is not aware of any new information or data that materially affects the Exploration Results or Mineral Resources included in the ASX releases made by Berkut Minerals Limited on 26 July 2017 and 12 February 2018.

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.

Table 1. Drill hole collar summary

Hole_ID	Easting (m)	Northing (m)	Grid	RL m	Depth m	Azimuth	Dip	Drill Type
LAI23001	7241050	1648240	RT 90-2.5	210	299.9	180	-70	DD

Table 2. Drill hole assays (Assayed from 240m downhole)

Hole ID	From (m)	To (m)	Int. Thick. (m)	Sample Id.	Ni (ppm)	Cu (ppm)	Co (ppm)	Ni (%)	Cu (%)	Co (%)
LAI23001	240	242	2	D104254	9.3	34	36.8			
	242	244	2	D104255	129	283	79.5			
	244	245.5	1.5	D104256	62.7	63.4	37.5			
	245.5	247	1.5	D104257	120	171.5	42.5			
	247	248	1	D104258	377	459	57.3			
	248	249	1	D104259	637	767	69.1			
	249	250	1	D104261	365	400	47.7			
	250	251	1	D104262	317	322	52.2			
	251	252	1	D104263	430	380	54			
	252	253	1	D104264	391	274	56.9			
	253	254	1	D104265	583	462	66.4			
	254	255	1	D104266	663	452	68.2			
	255	256	1	D104267	421	179	59.6			
	256	257	1	D104268	765	493	68.6			
	257	258	1	D104269	373	155	63.4			
	258	259	1	D104271	615	425	77.4			
	259	260	1	D104272	779	508	94.4			
	260	261	1	D104273	1090	808	117			
	261	262	1	D104274	624	567	82.2			
	262	263	1	D104275	733	514	93.5			
	263	263.7	0.7	D104276	1715	3860	136.5			
	263.7	265.4	1.7	D104277	838	447	89.9			
	265.4	266	0.6	D104278	1175	632	110			
	266	267	1	D104279	883	242	104.5			
	267	268	1	D104281	1715	829	157.5	0.17	0.08	0.02
	268	269	1	D104282	2970	2400	264	0.30	0.24	0.03
	269	270	1	D104283	1370	595	155	0.14	0.06	0.02
	270	271	1	D104284	2440	1165	212	0.24	0.12	0.02
	271	272	1	D104285	3580	2010	262	0.36	0.20	0.03
	272	273	1	D104286	4410	3330	260	0.44	0.33	0.03
	273	274	1	D104287	2700	1635	183.5	0.27	0.16	0.02

Hole ID	From (m)	To (m)	Int. Thick. (m)	Sample Id.	Ni (ppm)	Cu (ppm)	Co (ppm)	Ni (%)	Cu (%)	Co (%)
LAI23001	274	274.5	0.5	D104288	3290	3020	224	0.33	0.30	0.02
	274.5	276	1.5	D104289	1375	867	118	0.14	0.09	0.01
	276	277	1	D104291	1935	1430	135	0.19	0.14	0.01
	277	278	1	D104292	1160	706	105	0.12	0.07	0.01
	278	279	1	D104293	2360	1690	190.5	0.24	0.17	0.02
	279	280	1	D104294	3050	2210	183.5	0.31	0.22	0.02
	280	281	1	D104295	2730	2970	187.5	0.27	0.30	0.02
	281	282	1	D104313	2910	1985	173.5	0.29	0.20	0.02
	282	283	1	D104296	3970	8280	810	0.40	0.83	0.08
	283	283.8	0.8	D104297	27100	3630	1505	2.71	0.36	0.08
	283.8	284.6	0.8	D104298	26300	3430	1265	2.63	0.34	0.15
	284.6	285.3	0.7	D104299	2230	5880	154	0.02	0.59	0.13
	285.3	285.85	0.55	D104301	21500	8510	1030	2.15	0.85	0.02
	285.85	286.9	1.05	D104302	23800	15850	1180	2.38	1.59	0.10
	286.9	287.7	0.8	D104303	16150	56800	838	1.62	5.68	0.12
	287.7	288.25	0.55	D104304	3310	8390	820	0.33	0.84	0.08
	288.25	289	0.75	D104305	1460	991	672	0.15	0.01	0.06
	289	291	2	D104306	65.7	91.5	49.4			
	291	293	2	D104307	174.5	1995	39.6			
	293	294	1	D104308	92.9	473	18			
	294	296	2	D104309	28.7	193	21.2			
	296	298	2	D104311	2.9	73.1	16			
	298	299.5	1.5	D104312	3.1	78.7	14.9			

Note : Historical Drillhole Collars and Historical Lainejaur Drillhole Results

Refer Berkut Minerals ASX Announcement 12 February 2018, "High Grade Nickel-Cobalt Resource Estimate at Lainejaur" in compliance with The JORC Code, 2012 Edition. – and the Bayrock Prospectus July 2022

Table 3: Significant Drill Intersection Details including Assays

Hole ID	From (m)	To (m)	Int. Thick. (m)	Ni (%)	Cu (%)	Co (%)	Comments
LAI23001	283.0	283.8	0.8	2.71	0.36	0.08	**4.7m @ 2.0% Ni, 1.6% Cu and 0.1% Co** from 283m
	283.8	284.6	0.8	2.63	0.34	0.15	
	284.6	285.3	0.7	0.02	0.59	0.13	
	285.3	285.85	0.55	2.15	0.85	0.02	
	285.85	286.9	1.05	2.38	1.59	0.10	
	286.9	287.7	0.8	1.62	5.68	0.12	
LAI23001	267	268	1	0.17	0.08	0.02	**22m @ 0.61% Ni, 0.52% Cu and 0.04% Co** from 267m *(Note: Assay Results have been rounded)*
	268	269	1	0.30	0.24	0.03	
	269	270	1	0.14	0.06	0.02	
	270	271	1	0.24	0.12	0.02	
	271	272	1	0.36	0.20	0.03	
	272	273	1	0.44	0.33	0.03	
	273	274	1	0.27	0.16	0.02	
	274	274.5	0.5	0.33	0.30	0.02	
	274.55	276	1.5	0.14	0.09	0.01	
	276	277	1	0.19	0.14	0.01	
	277	278	1	0.12	0.07	0.01	
	278	279	1	0.24	0.17	0.02	
	279	280	1	0.31	0.22	0.02	
	280	281	1	0.27	0.30	0.02	
	281	282	1	0.29	0.20	0.02	
	282	283	1	0.40	0.83	0.08	
	283	283.8	1	2.71	0.36	0.08	
	283.8	284.6	0.8	2.63	0.34	0.15	
	284.6	285.3	0.7	0.02	0.59	0.13	
	285.3	285.85	0.55	2.15	0.85	0.02	
	285.85	286.9	1.05	2.38	1.59	0.10	
	286.9	287.7	0.8	1.62	5.68	0.12	
	287.7	288.25	0.55	0.33	0.84	0.08	
	288.25	289	0.75	0.15	0.01	0.06	

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
Sampling techniques	**Historical exploration** • 1940: Boliden - Geophysics, drilling and discovery of the Lainejaur deposit • 1941-1945: Boliden - Underground development; Nickel and copper production - 100,526 tonnes of ore with an average content of 2.2% Ni, 0.93% Cu and 0.1% Co (Reddick and Armstrong, 2009). • 2002: North Atlantic Natural Resources: Ground magnetic and EM surveys; two diamond drillholes into EM anomaly 6.5 km east of the Lainejaur ore zone. • 2007-2009: Blackstone Ventures - Ground and bore-hole EM surveys and diamond drilling 48 holes totalling 13,791 m. NI 43-101 Inferred Mineral Resource Estimate (CIM compliant) by Reddick Consulting Inc. (2009) • 2018: Berkut Minerals / Carnaby Resources - Fixed loop, moving loop and borehole EM. JORC 2012 compliant Mineral Resource estimate completed by Payne Geological Services Pty Ltd utilising Blackstone drilling dataset, reported by Berkut Minerals Limited in ASX announcement dated 12 February 2018. **Current Exploration – Bayrock Resources Limited** • Bayrock has completed geological review of selected past drillcore with XRF • Bayrock has completed one diamond drillhole LAI23001 for 300 metres to check prior drilling and generate material for metallurgical testwork. • Samples were assayed using both ICP and XRF. • QAQC sampling protocols were carried out to the latest standard.

Drilling techniques	**Historical Drilling – Blackstone Ventures**
	• 48 diamond drillholes of which 42 drillholes were drilled to completion (13,791m) to extend mineralisation 700 metres down plunge of historical workings (100m-900m depth). Six holes were abandoned short of the target for a total of 251 m.
	• Drilling diameters BQ.
	
	Bayrock Drilling
	• 1 Diamond hole LAI23001 (299.9 metres)
	  ○ Drilling diameters: NQ
	  ○ Drill rigs used: Atlas Copco DBC ESD-9 (track mounted)

Drill sample recovery	**Historical Drilling – Blackstone Ventures** • Detailed drill recovery information is not available. Comments in reporting indicates good recovery. Visual inspection of core at the Mala archive by the previous Competent Person for MRE reporting to the ASX indicates generally high recovery. **Bayrock Drilling** • Measuring produced core's length vs drill run's length for diamond drilling • All measurements were done on site with high recovery
Logging	**Historical Exploration - Blackstone Ventures** • All holes were logged by qualified geologists at drilling site for lithology, mineralisation style and sulphides. Geotechnical data is understood not to have been collected

Criteria	Commentary
	Bayrock Drilling • All holes were logged by qualified geologists at drilling site. • Quantitative (spreadsheet) logging has been completed • Core photography has been completed.
Sub-sampling techniques and sample preparation	**Historical Exploration – Blackstone Ventures** • Core cut using a diamond core saw with half core submitted for sampling. • Samples were reportedly shipped to ALS Chemex in Pitea for crushing and pulverisation, with pulps then shipped to ALS Chemex Vancouver for analysis. • Samples were crushed to better than 70% -2 mm. A split off 250 g sample was then pulverised to better than 85% passing 75 microns. These pulps were then shipped to Vancouver, British Columbia (BC), by commercial aircraft for completion of analytical work. Pulps and rejects were returned and stored in Vallen, Sweden. • A QA/QC procedure of sample preparation implemented involving the use of certified standards and blanks and detailed in NI 43-101 report. Standards and blanks were reportedly submitted for every 20 samples and inserted at end of mineralised zones **Bayrock Drilling** • Core cut using a diamond core saw – both $^{1/2}$ or ¼ core • Samples were transported to ALS in Pitea, Sweden, for crushing and pulverisation, with pulps then shipped to ALS Vancouver for analysis. • Samples were crushed to better than 70% -2 mm. A split off 250 g sample was then pulverised to better than 85% passing 75 microns. Pulps were transported to Vancouver, BC Canada, by commercial aircraft for completion of analytical work. • A QA/QC procedure of sample preparation implemented. • The Blanks and Duplicates, and Standard samples were inserted for QA/QC, approximately at 1 in 15 samples.
Quality of assay data and laboratory tests	**Historical Drilling – Blackstone Ventures** • Samples were analysed at ALS Chemex in Vancouver BC Canada for assaying using peroxide fusion and inductively coupled plasma-atomic emission spectroscopy (ICP-AES) (nickel, cobalt, copper, silver, sulphur) and fire assay with ICP-AES finish (gold, platinum, palladium) techniques. **Bayrock Drilling** • Bayrock samples were submitted to ALS laboratory in Vancouver, BC Canada for assaying using peroxide fusion and inductively coupled plasma-atomic emission spectroscopy (ICP-AES) or XRF (nickel, cobalt, copper, silver, sulphur) and fire assay with ICP-AES finish (gold, platinum, palladium) techniques. A full suite of metals and REE were analysed (PGM-ICP23, ME-MS61, OG62,ME-ICP06, ME-MS81, ME-4ACD8)
Verification of sampling and assaying	**Historical Drilling** • Primary data was sourced from Blackstone Ventures NI 43-101 report and Berkut Minerals unpublished documents supporting the JORC 2012 Mineral Resources Estimate report **Bayrock Drilling** • Preliminary logging was done by site geologists in “hand” and later entered to Excel spreadsheets by geologists. • All data were prepared in accordance with prepared procedure of Bayrock.
Location of data points	**Historical Drilling – Blackstone Ventures** • Coordinates for the drillholes were Collar surveys completed by contract or company surveyors using a GPS. Collars were recorded against the RT90-2.5 on V grid system. • Field verification of the BLV collars showed accuracy to within 1–10 m using against a handheld Garmin GPS. • Downhole surveys were carried out on majority of holes and were taken typically at

Criteria	Commentary
	50 m intervals with a Reflex tool or Maxibor tool. **Bayrock Drilling** • Coordinates for the drillholes were completed using a GPS and entered into an Excel spreadsheet.
Data spacing and distribution	**Historical Drilling – Blackstone Ventures** • 28 drillholes define the deposit within the Mineral Resource area, with most holes drilled at hole spacings of 25–50 m on 100 m spaced cross sections. • Samples in mineralised zones were always sampled to reflect geological contacts or sulphide zonation, so intervals are variable. In the massive sulphide mineralised zones, sample intervals are typically 0.4–0.6 m in length. In the disseminated sulphide zones, intervals were typically 0.5–1.0 m in length. **Bayrock Drilling** • 1 drillhole to date. • Samples in mineralised zones are sampled to reflect geological contacts or sulphide zonation, so intervals are variable. In the massive sulphide mineralised zones, sample intervals are typically 0.5–1.0 m in length. In the disseminated sulphide zones, intervals were typically 1.0 m in length.
Orientation of data in relation to geological structure	**Historical Exploration** • Most drillholes were angled at 50-60 degrees to intercept mineralisation close to right angles to the interpreted mineralisation. **Bayrock Drilling** • Drillholes were angled at 70 degrees to intercept mineralisation close to right angles to the interpreted mineralisation.
Sample security	**Historical Exploration – Blackstone** • Drill core samples were reportedly kept within the company's possession until transport to the laboratory. **Bayrock Drilling** • Samples monitored and controlled from site to sample prep lab.
Audits or reviews	**Historical Exploration** • Detailed review by Reddick Consulting Inc as part of a NI 43-101 Inferred Mineral Resource Estimate (CIM compliant) (Reddick and Armstrong, 2009). • Detailed review completed by Payne Geological Services Pty Ltd - and Berkut checked geological logging and sample depth intervals to the recorded database for four holes, no material issues were identified. • Berkut has conducted spot checks of significant assay intervals against original laboratory PDF files; no material issues were identified. **Bayrock Drilling** • Not considered necessary at this stage

Section 2 - Reporting of Exploration Results

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

Criteria	Commentary
Mineral tenement and land tenure status	• The Lainejaur deposit is located on one granted exploration permit, Lainejaur nr 20, covering a total of 41.5 km2, granted 28 June 2017,held by Metalore Pty Ltd, a wholly owned subsidiary of Bayrock Resources Limited (previously Carnaby Resources Limited).
Exploration done by other parties	**Historical exploration** • 1940: Boliden - Geophysics, drilling and discovery of the Lainejaur deposit • 1941-1945: Boliden - Underground development; Nickel and copper production - 100,526 tonnes of ore with an average content of 2.2% Ni, 0.93% Cu and 0.1% Co (Reddick and Armstrong, 2009). • 2002: North Atlantic Natural Resources: Ground magnetic and EM surveys; two diamond drillholes into EM anomaly 6.5 km east of the Lainejaur ore zone. • 2007-2009: Blackstone Ventures - Ground and bore-hole EM surveys and diamond drilling 48 holes totalling 13,791 m. NI 43-101 Inferred Mineral Resource Estimate (CIM compliant) by Reddick Consulting Inc. (Reddick, J., and Armstrong, T. 2009. Technical report on resource estimates for the Lainejaur, Lappvattnet and Ror deposits, northern Sweden. Prepared for Blackstone Ventures Inc. NI 43-101 Report by Reddick Consulting Inc. (www.sedar.com)). • 2018: Berkut Minerals / Carnaby Resources - Fixed loop, moving loop and borehole EM. JORC 2012 compliant Mineral Resource estimate completed by Payne Geological Services Pty Ltd utilising Blackstone drilling dataset, reported by Berkut Minerals Limited in ASX announcement dated 12 February 2018. (Payne, P. 2018. Mineral Resource Estimate for the Lainejaur Nickel Cobalt Deposit, Skellefteå Region, Sweden. February 2018. Report for Berkut Minerals Limited.)
Geology	• The nickel-copper sulphide deposit is hosted at the base of a lopolithic gabbro-diorite intrusion which grades upwards from gabbro to diorite to granodiorite. • The gabbro portions (which host nickel-copper sulphides) consist of fine-grained olivine gabbro. • Mineralisation includes massive sulphide ore near the basal portions of the intrusion. Disseminated sulphides are also present grading upward into the gabbro host from the massive sulphides. Less common is nickel-copper-arsenic veins.
Drill hole Information	• Current drilling included in Table 2. • For Historical Drillhole Collars and Historical Lainejaur Drillhole Results, Refer Berkut Minerals ASX Announcement 12 February 2018, “High Grade Nickel-Cobalt Resource Estimate at Lainejaur” in compliance with The JORC Code, 2012 Edition. – and the Bayrock Prospectus July 2022
Data aggregation methods	• Length weighted averaging is used for material intervals. Metal equivalents are not used.
Relationship between mineralisation widths and intercept lengths	• Based upon the current understanding of the mineralisation geometry, the drilling generally intersected the mineralisation at close to right angles to the mineralisation. • Reported intervals are expected to be close to true thicknesses.
Diagrams	• Appropriate Maps sections and figures are included in this report together with tabulations of meaningful intercepts.

Criteria	Commentary
Balanced reporting	• Significant intercepts have been previously reported for the historical drill data. • A tabulation of significant intercepts are included in this report for current drilling.
Other substantive exploration data	• Photos of mineralisation were included in previous release 14 June 2023.
Further work	• Bayrock continues to compile historical production records and then conduct further geophysical exploration, metallurgical testwork and diamond drilling within the mineralisation and to extend mineralisation on potential parallel structure and at depth and conduct additional works as required.

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
Database integrity	• Historical records were compiled from digital and hard copy records and loaded into a database via electronic capture. Validation included comparison of assay results to observed geology to verify mineralised intervals.
Site visits	• Site visits were carried out by the previous Competent Person (Payne, 2018) when this MRE was reported by Berkut (now Carnaby) in an ASX announcement dated 12 February 2018. No material change has occurred on the project since that date. • The projects are at an early exploration stage, with limited site infrastructure and little to no outcropping geology pertinent to the project assessment process.
Geological interpretation	• Geological interpretation is well-understood with confidence with consistent mineralised structures defined by good quality drilling. • The deposit consists of a moderately plunging, contact related zone of sulphide mineralisation which has been interpreted based on logging and assay data from samples taken at regular intervals from angled drillholes.
Dimensions	• Block model dimensions defined by extent of mineralisation within the resource drillholes. • The Lainejaur Mineral Resource area extends over a plunge length of 800 m and has a vertical extent of 500 m and commences 100 m below surface.
Estimation and modelling techniques	• The parent block dimensions used were 25 m north- south x 25 m east-west x 10 m vertical with sub-cells of 6.25 m x 6.25 m x 0.3125 m. • ID2 was used to estimate average block grades based on 0.5 m composites in the massive sulphide and 1.0 m composites in the disseminated sulphide. Surpac software was used for the estimation. • Historical production records were available for previous mining and production grades are consistent with the estimated Mineral Resource. • Previous resource estimates have been completed and compare well with the current estimate. No assumptions have been made regarding recovery of by-products. • No high grade cuts were applied to composited data. No estimation of deleterious elements was carried out. Values for nickel, copper, cobalt, gold, platinum, palladium and sulphur were interpolated into the block model. • An orientated ellipsoid search was used to select data and was based on geometry of the deposit and drillhole spacing. An initial interpolation pass was used with a maximum range of 80 m which filled 84% of blocks. The remaining

Criteria	Commentary
	• blocks were filled by expanding the search range to 160 m and reducing the minimum samples to one. • A minimum of two samples and a maximum of 24 samples was used for the first and second passes. A minimum of one sample was used for the third pass. • Selective mining units were not modelled in the Mineral Resource model. The block size used in the model was based on drill sample spacing and lode orientation. • Correlation was between the main elements was analysed, but no assumptions of correlation were included in the modelling. • The deposit mineralisation was constrained by wireframes constructed using logged geology for the massive sulphide, and a nominal 0.2% Ni cut-off for the disseminated/stringer. The wireframes were applied as hard boundaries in the estimate. • For validation, trend analysis was completed by comparing the interpolated blocks to the sample composite data within 20 m vertical intervals.
Moisture	• Tonnages estimated on a dry basis. • No Moisture content information is available
Cut-off parameters	• The Mineral Resource has been reported at a 0.5% Ni cut-off based on assumptions about economic cut-off grades for underground mining. The massive sulphide is relatively insensitive to cut-off grade.
Mining factors or assumptions	• The deposit has previously been mined using small scale underground development. It is assumed that further underground mining is possible at the project. • Portions of the deposit are considered to have sufficient grade and continuity to be considered for underground mining. No mining parameters or modifying factors have been applied to the Mineral Resource.
Metallurgical factors or assumptions	• Metallurgical testwork was not undertaken by Berkut or previous operators at the project. Historical production has demonstrated that nickel recovery can be expected from conventional processing methods.
Environmental factors or assumptions	• The area is not known to be environmentally sensitive and there is no reason to think that approvals for mine development including the dumping of waste would not be approved. Numerous base metal and gold operations are present in this region of Sweden. No assumptions have been made at this stage.
Bulk density	• Bulk density determinations were made on samples from drill core using the weight in air/weight in water method. • Bulk density values used in the resource were 3.0 t/m3, 3.30 t/m3 and 4.10 t/m3 for gabbro, disseminated and massive mineralisation respectively.
Classification	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The Mineral Resource (MRE) was classified as Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. • The entire deposit has been classified as Inferred Mineral Resource. Although continuity of geology and mineralisation appears to be excellent, the 100 m cross section spacing is not sufficient to confidently define grade trends within the deposit. • The MRE appropriately reflects the view of the Competent Person
Audits or reviews	• A documented audit of the MRE was completed by Berkut. • The Mineral Resource was reviewed by CSA Global in the Bayrock Prospectus June 2022.
Discussion of relative	• The Lainejaur MRE is considered to be reported with a high degree of confidence. The consistent deposit geometry and continuity of mineralisation is reflected in the

Criteria	Commentary
accuracy/ confidence	Mineral Resource classification. The data quality is good and the drillholes have detailed logs produced by qualified geologists. • The Mineral Resource statement relates to global estimates of tonnes and grade. The deposit is not currently being mined. Production records are available for previous underground mining completed at the deposit.