QX Resources Limited

1 August 2023

Drilling Intersects Massive Sulphide Mineralisation Near Surface at Bayrock's Vuostok Nickel-Copper Project

HIGHLIGHTS

- **Massive sulphide mineralisation was intersected near surface in a series of diamond drillholes at Bayrock's Vuostok Nickel-Copper Project in northern Sweden held 100% by Bayrock.**
- **Diamond drilling of 17 holes (508m) was completed at the Storbodsund Prospect, within the Vuostok project, a near surface nickel-copper project. Assay results are expected late in August**
- **Massive, disseminated and clusters of sulphides with visible Nickel and Copper minerals were intersected by seven diamond drillholes within intervals up to 6 meters thick, less than 18 metres from surface and under a thin cover of glacial sediments. Previous drilling showed massive Ni-Cu sulphides (average grade 2.3% Ni, 0.6% Cu (including up 3.7% Ni), between 0.3 and 3.9 meters thick.**
- **Results suggest a potential district scale development of Nickel-Copper+/-Cobalt projects as Vuostok is within 60km of Bayrock's Lainejaur high grade Nickel-Copper-Cobalt deposit.**
- **QXR has a significant 39% 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.**

QX Resources Limited (ASX:QXR) announces that diamond drilling intercepted massive sulphide mineralisation (Figure 1) in a series of drillholes at the Storbodsund Prospect within the Vuostok Nickel-Copper Project in Northern Sweden, held by Bayrock Resources Limited (**Bayrock**) in which QXR has a significant ~39% holding.

QXR Managing Director Steve Promnitz commented: *"Bayrock continues to deliver high grade massive sulphide nickel-copper mineralisation at Lainejaur and now at Vuostok. We await assay results which should be a catalyst to add further value to a developing district scale nickel projects in a mining friendly region of Sweden that is prospective for key battery minerals."*

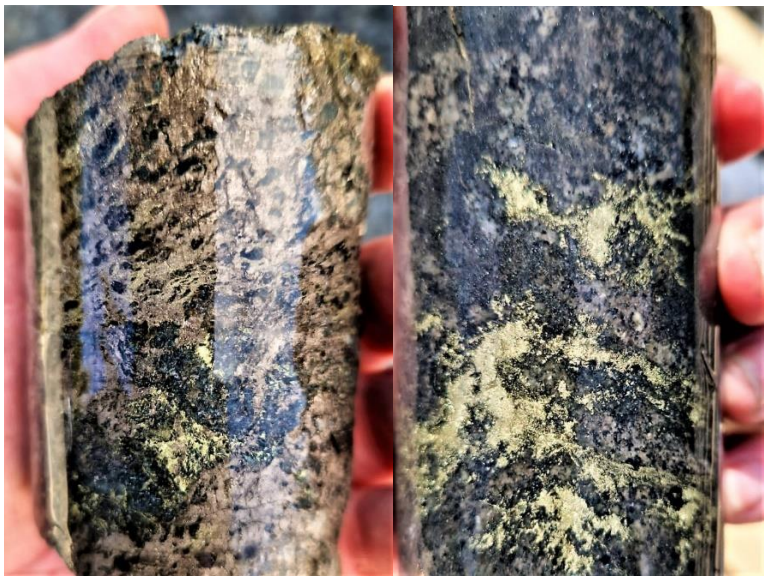

Figure 1: Vuostok Project, Storbodsund Prospect – Drillhole VUO23012, clusters of massive sulphides showing nickel-copper sulphides (pyrrhotite, pentlandite and chalcopyrite)

Cautionary Statement: *In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates showing nickel-copper sulphides should never be considered a proxy or substitute for laboratory analysis. Laboratory mineralogical, metallurgical and assay analyses are required to validate the proportions of nickel-copper content in relevant drill intercepts. The Company will update the market with this information when assays become available.*

Bayrock has completed a diamond drilling programme with a series of 17 shallow diamond drill holes (508m) at Storbodsund which is one of four known, near-surface Nickel-Copper prospects in the Vuostok Project within Bayrock's 100% owned Northern Nickel Line Projects (Figure 2).

Massive sulphides and sulphide clusters with visible nickel and copper minerals, consisting of pyrrhotite, pentlandite and chalcopyrite were intersected in seven drillholes less than 18 metres from the surface and beneath a thin cover of recent glacial sediments. Intersections include five massive sulphide intervals up to 1.9 meters thick containing abundant pentlandite and chalcopyrite and within zones of disseminated and clustered sulphide mineralisation up to 6 meters thick. The visual assessment of sulphides in the drill core indicates that the mineralisation is flat-lying and open to the northeast (Figure 2). 132 samples were collected from visually mineralised zones and assay results from these are expected late in August.

High-grade nickel and copper sulphides were previously intersected 70 years ago in the flat-lying Storbodsund 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, occur in the basal section of a gabbroic intrusive at the contact with underlying granite and are covered by a thin veneer of glacial sediments (see ASX announcement 4 July and 11 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.

QXR has assisted Bayrock with financing and development of its Projects, considered highly prospective for key battery metals of nickel, copper and cobalt (ASX announcement 30 Mar and 4 July 2023). Further information is available at: www.bayrockresources.com together with Bayrock's announcement which accompanies this ASX release.

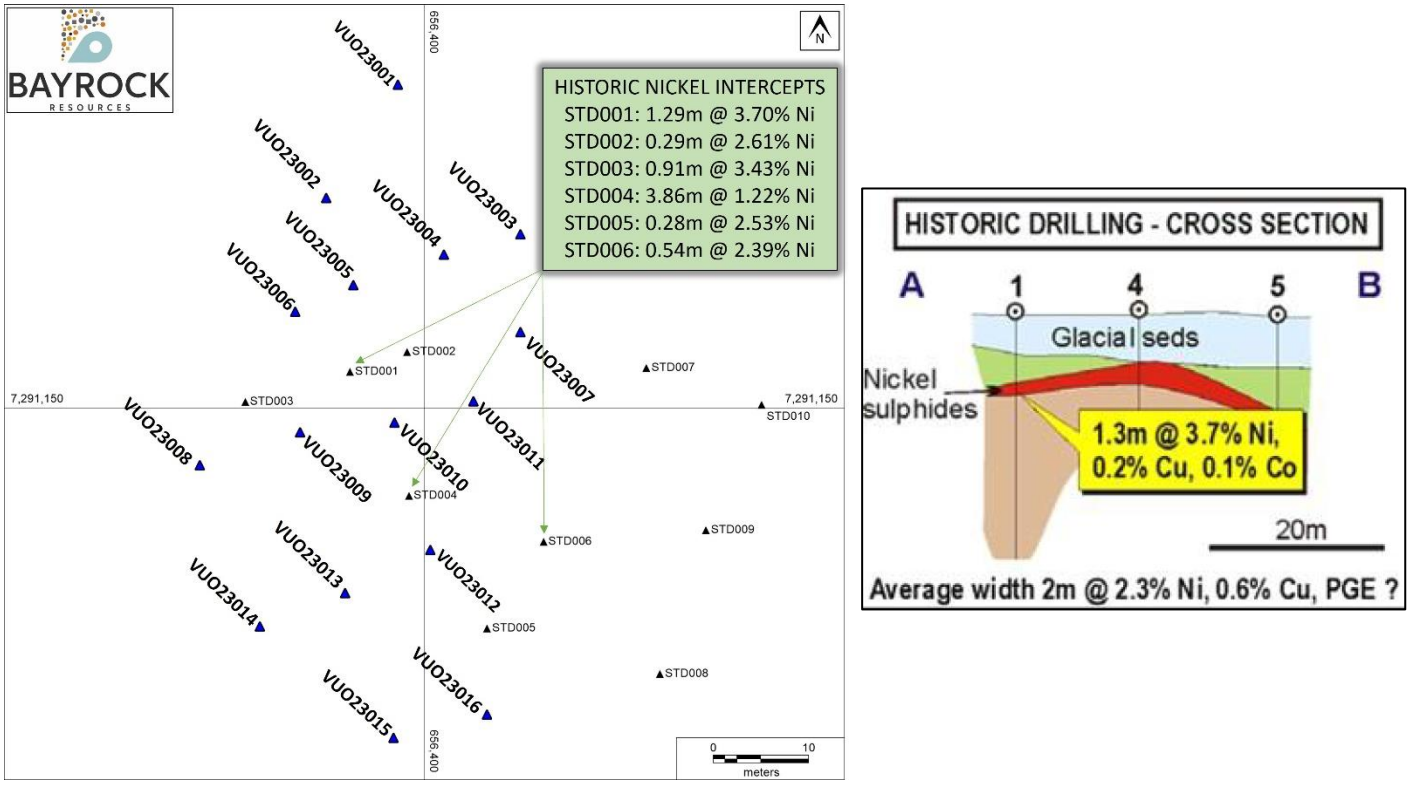

Figure 2: Vuostok Project, Storbodsund Prospect – Drillhole plan and as an inset showing a schematic cross section with historic drilling

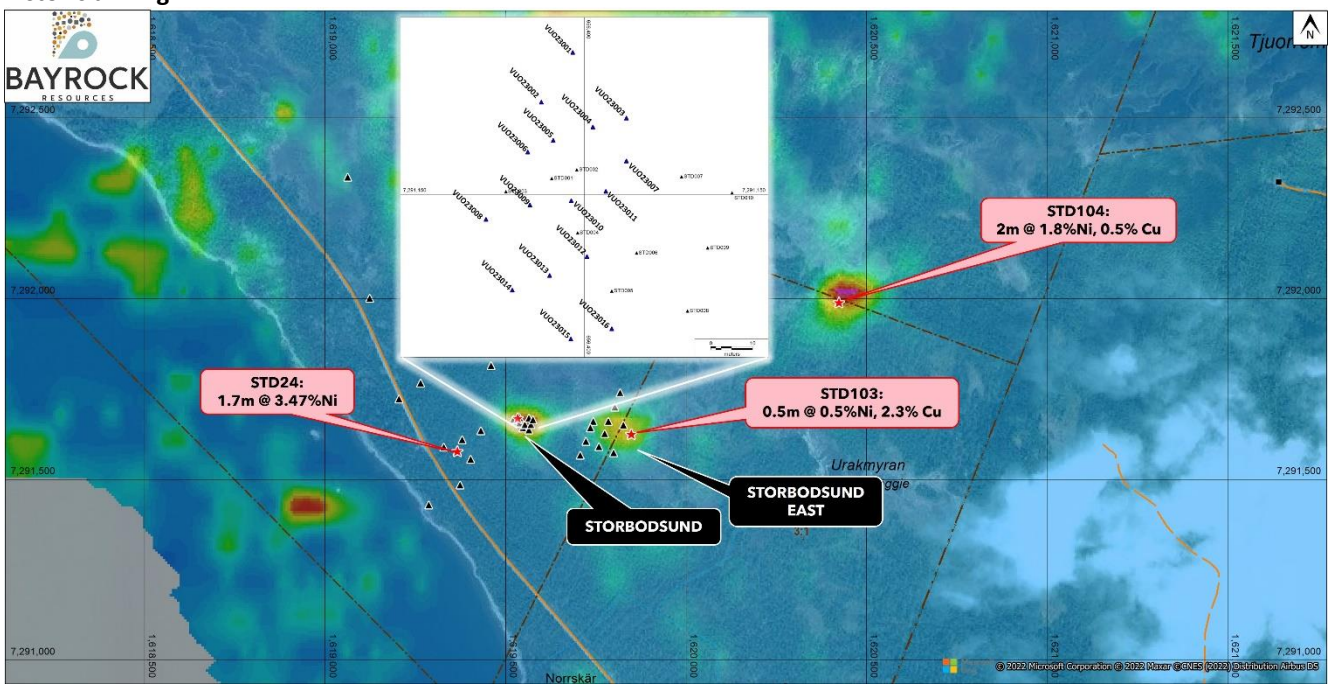

Figure 3: Vuostok Project – Storbodsund Prospect Drillhole plan as an inset showing relation to past drilling and geophysics (GEOTEM)

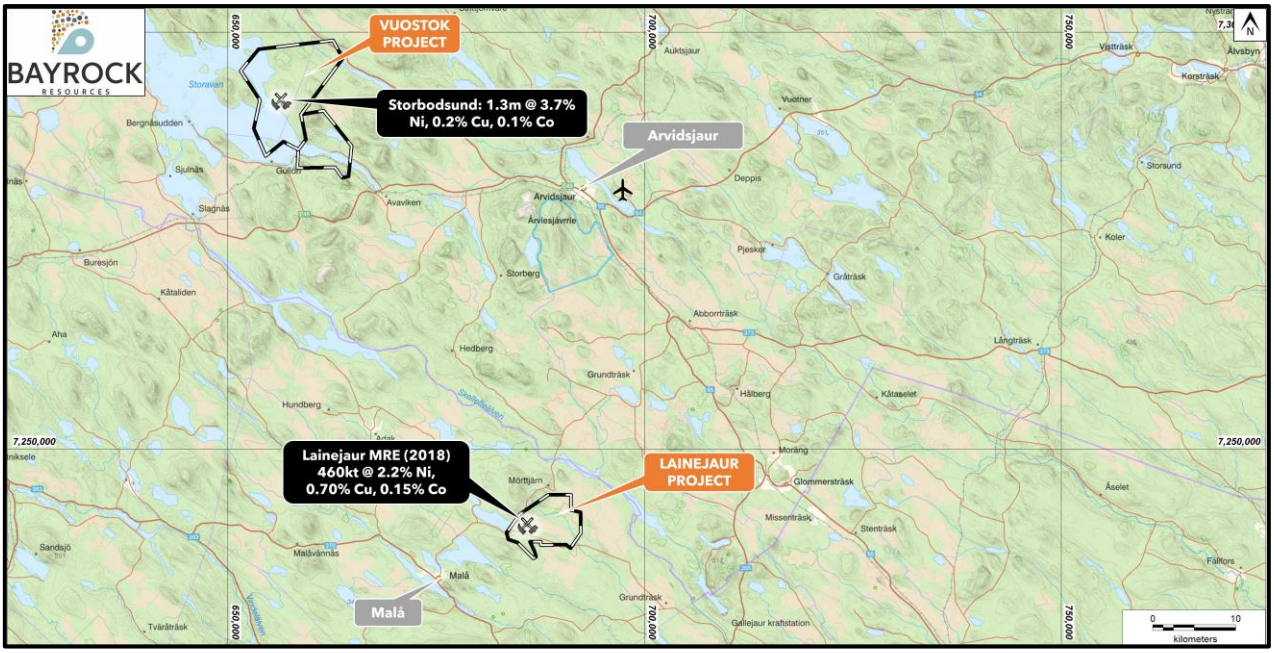

Figure 4: Lainejaur and Vuostok Project location map showing relative proximity of projects connected by sealed roads capable of supporting trucking of ore material

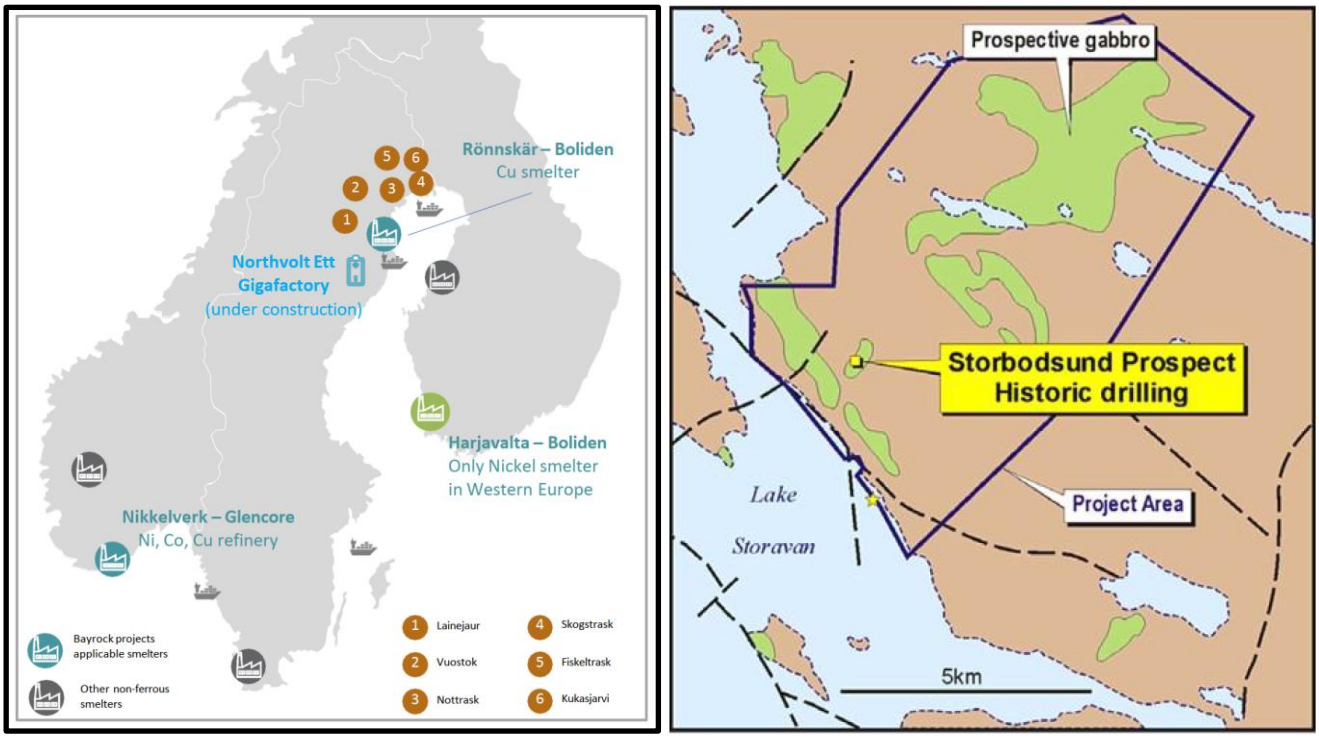

Figure 5: Bayrock Projects location map in Sweden and inset of the Vuostok Project and Storbodsund Prospect

Information relating to the observed sulphide intercepts:

1. The nature of the sulphide minerals

The nature of the minerals are as follows:

- Fine-grained massive sulphide
- Fine-grained "clotty"clustered sulphide
- Fine-grained disseminated matrix sulphide

2. Minerals observed

The minerals visually observed in the drillcore are as follows:

- Pyrite
- Pyrrhotite
- Pentlandite
- Chalcopyrite
- Magnetite
- Arsenopyrite

3. Estimates of abundance of minerals observed

The estimated abundance of minerals where observed is as follows:

Hole ID	From (m)	To (m)	Length (m)	Min Style (Major)	Min Style (Minor)	Pyrite	Pyrr-hotite	Pent-landite	Chalco-pyrite	Mag-netite	Arseno pyrite
VUO23003	6.25	9	2.75	clusters	disseminated		3%		1%		
VUO23003	9	13.1	4.1	clusters	disseminated		3%		2%		
VUO23004	5.15	10.3	5.15	clusters	disseminated	0-0.1%	3%	1%	1%	0-0.1%	
VUO23004	10.3	10.8	0.5	massive		1%	70%	20%	10%		
VUO23005	5.4	6.55	1.15	clusters	disseminated	1-3%	0-0.1%	1-2%	0-0.1%		
VUO23005	6.55	6.88	0.33	massive		10%	85%	0-5%	0-3%	0-0.1%	0-0.1%
VUO23005	6.88	9	2.12	clusters	disseminated	0-1%	0-1%	0-0.5%			
VUO23010	4.4	5.55	1.15	clusters	disseminated		2%	2%		0-1%	
VUO23010	5.55	8.3	2.75	clusters	disseminated		2%	3%		0.50%	
VUO23011	13.35	15.25	1.9	massive			15%	60%	5%		
VUO23011	15.25	17.15	1.9	vein			0-1%	3%	7%		
VUO23012	5.7	7.2	1.5	disseminated			3-5%	0.50%	1-2%		
VUO23012	7.2	7.4	0.2	banded		1-5%	55-80%	10-15%	5-10%	0-0.1%	0-0.1%
VUO23012	7.4	7.98	0.58	clusters	disseminated		7%	1%	2%		
VUO23013	6.85	7.28	0.43	massive		1-2%	30-35%	50-60%	1-2%		
VUO23013	8.3	9.81	1.51	massive		1-2%	30-35%	40-50%	1-2%		
VUO23013	9.81	13.28	3.47	vein	disseminated		2-3%	3-4%			

In relation to the disclosure of visual mineralisation, QXR cautions that visual estimates of sulphide material abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of the visual mineralisation reported in preliminary geological logging. QXR will update the market when laboratory analytical results become available.

QX Resources Limited

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 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 of Bayrock Minerals and consultant 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.
The Company 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 2: Historical Drill hole results – Vuostok Project *(Bayrock Prospectus July 2022)*

Hole ID	From (m)	To (m)	Length (m)	Ni (%)	Cu (%)	S (%)
STD001	8.39	9.68	1.29	3.70	0.24	34.40
STD002	9.73	10.02	0.29	2.61	1.66	19.30
STD002	8.23	8.59	0.36	0.00	0.01	0.00
STD003	7.05	7.96	0.91	3.43	0.85	30.70
STD004	6.14	6.43	0.29	3.25	0.10	26.10
STD004	6.43	7.30	0.87	0.39	0.11	2.80
STD004	7.30	8.52	1.22	1.08	0.24	14.70
STD004	8.52	8.85	0.33	3.83	0.21	28.90
STD004	8.85	10.00	1.15	0.73	0.37	7.30
STD005	9.44	9.95	0.51	0.62	0.14	6.60
STD005	11.99	12.27	0.28	2.53	0.39	26.50
STD005	12.27	12.57	0.30	0.47	3.36	7.20
STD005	11.00	11.32	0.32	0.01	0.01	0.00
STD006	21.03	21.57	0.54	2.39	0.08	22.40
STD024	33.77	35.46	1.69	3.47	0.55	35.50
STD024	35.46	36.90	1.44	0.55	0.86	6.50
STD024	8.75	10.70	1.95	0.06	0.04	0.70
STD024	21.36	26.96	5.60	0.10	0.07	0.90
STD024	26.96	32.28	5.32	0.11	0.06	0.90
STD024	8.34	8.73	0.39	0.04	0.02	0.00
STD024	20.86	21.36	0.50	0.01	0.01	0.00
STD024	35.30	35.43	0.13	2.94	2.39	29.40
STD024	33.81	34.00	0.19	3.38	0.06	39.50

Hole ID	Grid System Sweref 99 TM			EOH depth (m)	Azimuth	Dip
	Easting	Northing	Elevation			
STD001	656406.6	7291148	438.55	29.26	0.0	-90.0
STD002	656412.6	7291150	439.21	12.84	0.0	-90.0
STD003	656395.7	7291145	438.68	9.03	0.0	-90.0
STD004	656412.8	7291135	439.02	12.60	0.0	-90.0
STD005	656421	7291122	438.78	19.35	0.0	-90.0
STD006	656426.9	7291131	439.08	22.22	0.0	-90.0
STD024	656240.9	7291055	430.44	44.30	0.0	-90.0

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** • 1950's: Boliden - Geophysics, drilling and discovery of the Vuostok Storbodsund deposit • 2000's: IGO/Mawson: Till/soil sampling, boulder sampling, drill core sampling. • The IGO time-domain airborne electromagnetic survey was completed by SkyTEM using their two-coil X and Z) system. Magnetic data was collected simultaneously using a GEM Systems GSMP-32 magnetometer. • The IGO FLEM survey was completed by SMOY using a Geonics Protem 37D receiver and TEM 37 transmitter (2.5 Hz frequency) on a 25 m station spacing and 100 m line spacing. • The IGO DHEM survey was completed by SMOY using a Geonics BH43-3D probe with a Protem (TEM53) receiver and transmitter system. The transmitter frequency of 25 Hz was used mistakenly instead of 2.5 Hz. **Current Exploration – Bayrock Resources Limited** • Bayrock has completed geological review of selected past drillcore with XRF • Bayrock has completed fifteen (15) diamond drillholes for 450 metres to check prior drilling and generate material for metallurgical testwork. • Samples were assayed using either ICP. • QAQC sampling protocols were carried out to the latest standard.

Drilling techniques	**Historical Drilling – Boliden and IGO/Mawson**
	• Drillholes of which 49 drillholes were drilled (~1500m)
	• Drilling diameters BQ (41mm).
	
	Bayrock Drilling
	• 17 Diamond hole (508 metres)
	  ○ Drilling diameters: BQ
	  ○ Drill rigs used: Atlas Copco DBC ESD-9 (track mounted)

Drill sample recovery	**Historical Drilling – Boliden and IGO/Mawson** • For the Boliden drilling, the section lengths and core recovery lengths are recorded in the drill logs. • As evidenced by the core photos, the drill recovery for the IGO/Mawson drilling was consistently very high with little to no core loss observed. There is similar evidence on the core blocks that drill run lengths and recovered lengths were recorded at core retrieval and checked and amended where necessary during the core orientation process. From the limited data available, there does not appear to be a sample bias. **Bayrock Drilling** • Measuring produced core's length vs drill run's length for diamond drilling • All measurements were done on site. High core recovery.
Logging	**Historical Exploration - Boliden and IGO/Mawson** • For both the Boliden and IGO/Mawson drilling, the drillholes have been logged geologically in their entireties. • In the case of IGO/Mawson, both holes were also photographed. The 11 boulder samples collected by IGO/Mawson were also geologically logged

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 – Boliden and IGO/Mawson** • For the Boliden diamond drilling there is insufficient information about the sampling techniques used and QAQC measures taken but it is most likely that half-core samples were taken by hand chisel which was standard industry practice at the time. • For the IGO/Mawson drilling, half-core samples were sawn and sampled. • According to Mawson press releases at the time, "duplicates, repeats, blanks and standards were inserted according to standard industry practice". • The sampling protocols, certainly that of IGO/Mawson, used were appropriate for the style of mineralisation. • Given the nature of boulder sampling and non- nominal core sampling, it is likely that such samples may not be representative, and instead are only indicative of anomalous elemental concentrations. **Bayrock Drilling** • Core cut using a diamond core saw – both $^{1/2}$ or ¼ core • 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 – Boliden and IGO/Mawson** • For the Boliden drilling, there is no information available describing the nature, quality and appropriateness of the assaying and laboratory procedures. • For the IGO/Mawson drilling, Samples were prepared at ALS Chemex facility in Pitea, Sweden then sent to ALS Chemex in Vancouver for assaying using ME-MS61 (four-acid digest mass spec.-finish) assaying technique • For the Mawson boulder sampling, the samples were submitted to ALS Chemex in Piteå for standard prep and ME-ICP61 (four-acid digest, ICP-finish) assaying technique. • Whilst the QAQC data is not visible in the available laboratory files for the IGO/Mawson drilling and boulder sampling, it is assumed that ALS Chemex carried out their routine QAQC practices, including duplicates, repeats, blanks, and standards. **Bayrock Drilling** • Bayrock samples were submitted to MS Analytical with sample preparation undertaken at their facility in Storuman in Sweden. • Pulp samples were then sent to the MS Analytical facility in Vancouver Canada. Samples to be digested using an industry standard mixed four acid digest with an ICP-MS finish.
Verification of sampling and assaying	**Historical Drilling– Boliden and IGO/Mawson** • For the Boliden drilling, there is no information available describing the verification of sampling and assaying nor possible adjustment of assay data. The geological logs were made initially by hand and then typed. • For the IGO/Mawson drilling, no twin holes have been drilled. DHEM was completed to confirmed whether the drillholes intercepted the modelled conductors and to test for any off-hole conductors, one hole reportedly did not test the main modelled conductor. • There are no other reports of verification of reported mineral intercepts. The drillholes appear to have been logged digitally and stored in digital database. **Bayrock Drilling** • Preliminary logging was done by site geologists in "hand" and later entered to Excel

Criteria	Commentary
	spreadsheets by geologists. • All data were prepared in accordance with prepared procedure of Bayrock.
Location of data points	**Historical Drilling – Boliden and IGO/Mawson** • For the Boliden drilling, there is no information available describing the method used for sighting the drillholes, although several of the historic collars have subsequently been located in the field by IGO/Mawson and surveyed with a handheld GPS. Boliden utilised a local grid system. • The IGO/Mawson drillholes and boulder samples were sighted/located with a handheld GPS. • IGO/Mawson utilised the Swedish RT90 grid system. There is no information related to topographic control **Bayrock Drilling** • Coordinates for the drillholes were completed using a GPS and entered into an Excel spreadsheet.
Data spacing and distribution	**Historical Drilling – Boliden and IGO/Mawson** • For the Boliden drilling, there is no nominal drillhole spacing but the vast majority of their holes are clustered in one area where some holes appear to be drilled around 10 m x 10 m grids, 40 m x 40 m and others somewhat sporadically. Where drilled tightly, enough confidence was obtained to produce a geological section which showed good continuity of mineralisation. For the IGO/Mawson drillholes, they were targeting geophysical conductors. The data spacing is suitable for early-stage exploration. There is no information related to sample compositing. **Bayrock Drilling** • 15 drillholes to date. • Samples in mineralised zones are sampled to reflect geological contacts or sulphide zonation, so intervals are variable.
Orientation of data in relation to geological structure	**Historical Exploration - Boliden and IGO/Mawson** • The Boliden drilling does not appear to have been orientated in such a way as to introduce a sampling bias and the drilling appears to have been drilled perpendicular to the strike of the mineralisation. • The IGO/Mawson drilling was targeting specific geophysical conductor targets and comprised a single drillhole into each target, as such there is insufficient information available to determine if a sampling bias has been produced • The IGO/Mawson boulder sampling was random. **Bayrock Drilling** • Drillholes were vertical (90 degrees) to intercept flat lying mineralisation close to right angles to the interpreted mineralisation.
Sample security	**Historical Exploration – Boliden and IGO/Mawson** Details of measures taken for the chain of custody of samples is unknown for the previous explorers' activities. **Bayrock Drilling** • Samples monitored and controlled from site to sample prep lab
Audits or reviews	**Historical Exploration** No audits or reviews of sampling techniques and data have been undertaken. **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 Vuostok property comprises a single granted exploration permit (Vuostok nr 101) located in the Arvidsjaur and Arjeplog municipalities of Norrbotten County in northern Sweden. The property is centred at 65.72° N, 18.42° E. • Bayrock has acquired a 100% interest in the Vuostok, Notträsk, Skogsträsk, Fiskelträsk and Kukasjärvi (collectively known as the "Northern Nickel Line") projects from Eurasian Minerals Sweden AB, a wholly owned subsidiary of EMX Royalty Corp. (TSX-V:EMX).
Exploration done by other parties	**Historical exploration** • 1940-1942: Prospectors discover trail of nickel-copper mineralised boulders. • 1943: **Boliden** - 13 DDH (9-90m deep), by Boliden, following up sulphide boulders in glacial till. Delineated a thin shallow flat-lying body of massive sulphide covering at least 800m². • 1974-1975: **Boliden** - 2km² IP survey; 29 Diamond Drill holes (12-72m deep) in the general area. Shallow intersection of massive sulphides in drillhole 24. Five Diamond drillholes (maximum 352m) on other strong magnetic anomalies 6-8km NE of the massive sulphide occurrences, intersected wide thicknesses of barren gabbro (1.69m at 3.5% Ni from 33.5m). • 2005: **Mawson Resources Ltd** - Storbodsund nr 1 pegged by Mawson in late 2005. Completed review of prospect then approached contacts in IGO who completed site visit and offered JV. Pegged additional ground (Storbodsund nr 2 and nr 3) • 2006-2008: **Independence Group NL (IGO)** - SkyTEM airborne survey in August 2006, identified 16 EM features (some cultural). Ground EM by SMOY. Defined 5 anomalies, one of which was the drilled mineralisation. Proposed drill holes to test 4 of the 5 anomalies. IGO completed two shallow diamond drillholes in early 2008, intersecting narrow low to moderate grade nickel sulphide mineralisation in both (2m @ 1.8% Ni, 0.5% Cu from 76m depth) . SMOY undertook DHEM on the two drillholes. Interpretation of the data suggested that mineralisation mapped by the FLEM had been intersected. • 2020: **EMSAB** - Field Observations, possibly re-logging of 1 drillhole.
Geology	• The nickel-copper sulphide mineralisation, between 0.3 and 3.9 meters thick, is hosted at the base of agabbroic intrusion at the contact with underlying granite. The area is covered by a thin veneer of glacial sediments (till). • The Vuostok geology is dominated by alkali feldspar granite of the Arvidsjaur Suite, dated at around 1.88 Ga, intruded by irregular bodies of gabbroic to dioritic composition. • Mineralisation includes massive sulphide and semi-massive clustered sulphide (pyrrhotite, pentlandite and chalcopyrite) near the basal portions of the intrusion.
Drill hole Information	• Suitable maps showing the mineralisation have been presented in this report.
Data aggregation methods	• Although not reported by IGO/Mawson, it is assumed that the reported mineralised intercepts were length-weighted averages as per standard industry practice. • No exploration results being reported.
Relationship between mineralisation widths and	• Exploration drill intercepts are not being reported. • Based upon the current understanding of the mineralisation geometry, the drilling generally intersected the mineralisation at close to right angles to the mineralisation.

Criteria	Commentary
intercept lengths	
Diagrams	• No exploration results being reported. Photos of mineralisation are included. • In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates showing nickel-copper sulphides should never be considered a proxy or substitute for laboratory analysis. Laboratory mineralogical, metallurgical and assay analyses are required to validate the proportions of nickel-copper content in relevant drill intercepts.
Balanced reporting	• No exploration results being reported. • Significant intercepts have been previously reported for the historical drill data.
Other substantive exploration data	• No exploration results being reported. • Photos of mineralisation are included.
Further work	• Bayrock continues to compile historical production records and await assay results to be followed by further geophysical exploration and diamond drilling within the mineralisation and to extend mineralisation to the north and conduct additional works as required.