

16 March 2023

## Strategic Investment with Battery Minerals focused Bayrock Resources Limited

### HIGHLIGHTS

- QX Resources (QXR) has entered into a framework agreement with Bayrock Resources Limited (Bayrock), an Australian unlisted public company with 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 and has previously invested ~\$A600,000 to support the Company.
- Bayrock owns a 100% of two highly prospective projects in northern Sweden (the Projects):
  - The Lainejaur project (Ni-Cu-Co) is a 41km<sup>2</sup> license over a historical underground nickel mine which produced ~100kt at 2.2% Ni in the rich Skellefteå Mineral Belt. In 2018, Carnaby Resources Limited (ASX: CNB) estimated a Mineral Resource Estimate in compliance with the JORC Code standards of 460Kt @ 2.2% Ni, 0.7% Cu, 0.15% Co, 0.68g/t Pd, 0.2g/t Pt and 0.65g/t Au; and
  - The Northern Nickel Line project (Ni-Cu-Co) is a 340km<sup>2</sup> project consists of five exploration permits over areas favourable for nickel-copper-cobalt in Northern Sweden.
- Both projects have excellent logistical infrastructure, including direct shipping links to end users across the European Union.
- Bayrock intends to undertake a pro-rata offer to its existing shareholders, which will be underwritten by QXR.
- Funds raised under the rights issue will be used to add value by commencing exploration across the Lainejaur and Northern Nickel Line projects, make further payments under acquisition agreements entered into by Bayrock, repay QX Resources' loans and for working capital.

QX Resources Limited (ASX:QXR or the Company) has 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 (Framework Agreement). The Projects are considered highly prospective for key battery metals, nickel, copper and cobalt. Further information is available at: [www.bayrockresources.com](http://www.bayrockresources.com)

### Commenting on the strategic investment, Managing Director Stephen Promnitz stated:

*"The battery supply chain continues to seek high grade quality Class 1 nickel projects. Discussions have advanced considerably in recent months with Dr Ian Pringle and the Bayrock team and we are impressed with the quality of Bayrock's project portfolio in northern Sweden. Lainejaur, in particular, is a past high-grade producer with considerable resource potential, and is well positioned to supply key battery minerals for the escalating European demand and assist meeting carbon neutral targets.*

*"QXR's investment in Bayrock is consistent with the Company's stated strategy of investing in critical and battery minerals and provides our investors exposure to highly prospective Ni-Cu-Co projects. Importantly, we consider that we can add value to Bayrock through technical knowledge and the introduction of potential end users."*

## Bayrock Technical Director, Dr Ian Pringle added:

*“Bayrock’s assets in Sweden have outstanding potential and have a very large footprint with exceptional exploration and development upside. By securing this additional investment, we can add considerable value with the drill bit by re-testing existing high grade targets and new areas of potential identified. Bayrock is delighted to have QXR providing additional support to bolster the highly prospective nickel-copper-cobalt projects and deliver greater value in a timely manner to deliver success.”*

## Framework Agreements

QXR and Bayrock Resources Limited (**Bayrock**) have entered into a framework agreement in relation to the provision by QX Resources of secured loans of up to \$585,000 and accruing interest at 15% per annum, which will be used by Bayrock for meeting its final acquisition commitments with Carnaby Resources Limited (ASX:CBY), the holder of the Lainejaur Project, and EMX Royalty Corp, the holder of the Northern Sweden Nickel Line Project (**Secured Funding**). In addition to the Secured Funding, QX has committed to, subject to certain conditions which are currently being negotiated, underwrite a rights entitlement issue by Bayrock (**Rights Issue**) (**Underwriting**).

Funds raised by Bayrock via the Rights Issue will enable Bayrock to:

- Repay the Secured Funding provided by QXR
- Undertake exploration at Lainejaur and Northern Sweden Nickel Line to enhance value, including:
  - Diamond drilling at the Lainejaur and Vuostok projects
  - Ground based and downhole geophysics at the Lainejaur and Vuostok projects
- Make further payments under acquisition agreements entered into by Bayrock
- Provide working capital

Following completion of the capital raising by Bayrock, it is planned that QXR will be offered a position on the Bayrock board.

QXR intends to make introductions to potential end users in the battery supply chain together and enter into discussions with major multi-commodity companies with an interest in battery materials.

## About Bayrock Resources Limited

Bayrock Resources Limited is an exploration company which holds full ownership rights for a multi-asset development portfolio in Sweden. The Company’s flagship is the Lainejaur project, an advanced-stage nickel-dominated battery metals asset. Through its fully-owned subsidiary, Bayrock also holds Exploration Permits at five additional sites that make up the Northern Nickel Line portfolio, and these are prospective for nickel-copper mineralisation as well as cobalt, gold and PGMs.

The company 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. With a planned multi-stage drilling program, the Company looks forward to updating the market with consistent news flow.

Authorised by the Board of QX Resources Limited.

Daniel Smith  
Company Secretary  
QX Resources Limited