

Quarterly Activities Report

For the period ending 31 December 2022

Highlights:

- **Scoping Study for Youanmi Gold Project released, providing a positive foundation for detailed feasibility studies into a restart of operations**
- **Scoping Study sets an initial Youanmi valuation of NPV₅ \$303 million (AUD)**
- **Base-case gold production target of approximately 71koz pa at an average feed grade of 5.0g/t Au over an approximate 8-year projected mine life**
- **Scoping Study based on only 20% of Youanmi Mineral Resource**
- **Expanded Resource at early-stage Mt Fisher – Mt Eureka Gold Project**
- **Cash at bank as at 31 December 2022 of \$10.5 million following strongly supported capital raising**
- **Resource development and exploration drilling at Youanmi commenced in mid-January 2023**
- **Company strongly positioned to build on the existing resource inventory and convert existing resources to a higher confidence category, with the aim of strengthening project metrics**

West Australian focused gold exploration and development company (“**Rox**” or “**the Company**”) (ASX: RXL), is pleased to present its quarterly activities report for the period ending 31 December 2022.

The Quarter was highlighted by the release of an in-depth Scoping Study to evaluate the re-commencement of mining operations at the Company’s flagship Youanmi Gold Project, outlining a high return project with low capital and operating costs compared against industry benchmarks.

Following the completion of the Scoping Study, Mr Alex Passmore decided to step down as Chief Executive Officer and Managing Director of Rox, with Non-Executive Director Mr Robert Ryan being appointed as his successor from 24 October 2022.

Mr Ryan has extensive experience in sulphide gold and concentrates, offtake agreements, feasibility studies and extensive management experience in underground, open pit and processing operations, which the Board considers is the right skill set to lead the Company in its priority agenda of defining the optimal development strategy and ultimately restarting the Youanmi Gold Mine.

The Quarter also featured a 110% increase in the Mineral Resource Estimate at the Company’s Mt Fisher – Mt Eureka Gold Project.

Managing Director Mr Robert Ryan commented:

“The release of the Scoping Study for our flagship Youanmi Gold Project in the December Quarter is a significant steppingstone for the Company. Considering the plan only incorporates 20% of the total Youanmi gold resource, we expect to continue to improve the financial metrics and the production target as we continue to drill out and increase the geological confidence in the gold resource.

“Drilling has now commenced at the Youanmi project targeting the conversion of inferred resources to the higher confidence indicated category, whilst also looking to test the exciting Midway discovery. Midway, located 300m west of the Youanmi Main Lode, presents a high-grade near mine exploration target in a corridor with limited drilling to date.

“In 2023, the Company is focussed on improving the geological confidence of the resource and continuing feasibility studies. With our current cash position and the tranche 2 placement (pending shareholder approval in February), Rox will be well funded to complete these studies and further exploration.”

Youanmi Gold Project

The Company released the completed Scoping Study outlining the preferred mining model at Youanmi to the ASX on 19 October 2022.

Following a substantial upgrade to the Youanmi underground gold resource in January 2022, and a subsequent increase to the near surface resource in April 2022, Rox commenced the Scoping Study to determine the project economics and likely development scenarios for the Youanmi Gold Project. The project-wide resource currently stands at 27.9Mt at 3.57g/t Au for 3.2Moz Au contained gold. The Study is based on this resource estimate.

In the Study, Rox is targeting average annual gold production of approximately 71koz per annum with an average gold head grade of 5.0g/t Au for a total gold production target of approximately 569koz over an 8-year life of mine. The first three years of production are underpinned by a 79 / 21 ratio of Indicated to Inferred Resource feed material. As a historic mining centre, the economics for Youanmi benefit significantly from existing infrastructure and mining approvals.

A combination of gold-in-concentrate and carbon-in-leach (CIL) bullion production has been pursued by Rox as the optimum commercialisation strategy for initial cashflow generation at Youanmi. The Project will require funding of approximately \$134m, consisting of the following:

- Total pre-production capital expenditure of approximately \$99m;
- Total pre-production operating cost of approximately \$31m (including pre-production mining and site general and administrative costs in the first 7 months until first gold production); and
- Assumed financing charges until the first gold production of approximately \$4m.

The Study shows compelling financial outcomes reflecting the high grade and low capital intensity of the Youanmi Gold Project, including:

- Project life of 8 years;
- Cumulative EBITDA of approximately \$577m over the life of the Project;
- Pre-tax undiscounted free cash flow of approximately \$418m over the life of the Project;
- Pre-tax and unleveraged Net Present Value (NPV_{5%}) of approximately \$303m;
- Pre-tax and unleveraged Internal Rate of Return (IRR) of approximately 45%; and
- Pre-tax and unleveraged payback of approximately 3.0 years (from commencing production)

Importantly, the operating plan envisaged in the Study retains considerable upside for future growth, with the production target accounting for only 3% of the near surface mineral resource and approximately 27% of the underground mineral resource.

All financial results of the Study are expressed in project terms having a single owner. Rox presently owns a 70% economic interest in Youanmi through a joint venture with Venus Metals Corporation (ASX :VMC) which holds a 30% economic interest .

Post the end of the December Quarter, Rox and Venus announced they had commenced substantial reverse circulation (RC) and diamond drilling (DD) programs at the Youanmi Gold Project. The 16,000 metre RC drill program and 7,000 metre DD drill program will be ongoing throughout January-April with first drill assay results expected in late February.

Resource definition drilling is focused on converting inferred resources to indicated category with the expected upgrade of the resource to be used as the basis for future feasibility studies. Exploration drilling will also test the exciting, near-mine, Midway discovery, as well as testing underexplored regional targets to delineate additional ounces which can be incorporated into the Project. The Company anticipates a steady flow of drill result updates over coming months with ongoing drilling into the broader mineralised envelope.

Mt Fisher Gold Project

The Company reported a significant increase to the Mineral Resource Estimate (MRE) for the early stage Mt Fisher Gold Project (Rox 100%) and the Mt Eureka Project . The Mt Eureka Project is a joint venture in which Rox is currently earning up to a 75% interest , with Cullen Resources Limited (ASX: CUL) holding the remaining 25%.

The total Indicated and Inferred Mineral Resource for the Mt Fisher – Mt Eureka Gold Project now stands at 3.5Mt @ 1.65g/t Au for 187,000 ounces of contained gold.

The Mt Fisher – Mt Eureka Gold Project is in the Northern Goldfields, approximately 500km northeast of Kalgoorlie (about 120km east of Wiluna) within the Mt Fisher greenstone belt. This belt is located 40km east of the prolific Yandal greenstone belt, host of significant gold deposits including Jundee, Bronzewing and Mt McClure.

The Mt Fisher – Mt Eureka Resource comprises 5 separate gold deposits: Damsel, Mt Fisher Mine and Wagtail for 124koz on Rox 100% tenements, and Taipan and Southern for 63koz on Mt Eureka JV tenements (refer Figure 1). Rox's tenure covers a large area over the Mt Fisher greenstone belt (1,150km² in total, comprising 500km² within Mt Fisher , and 650km² within the Cullen Resources JV).

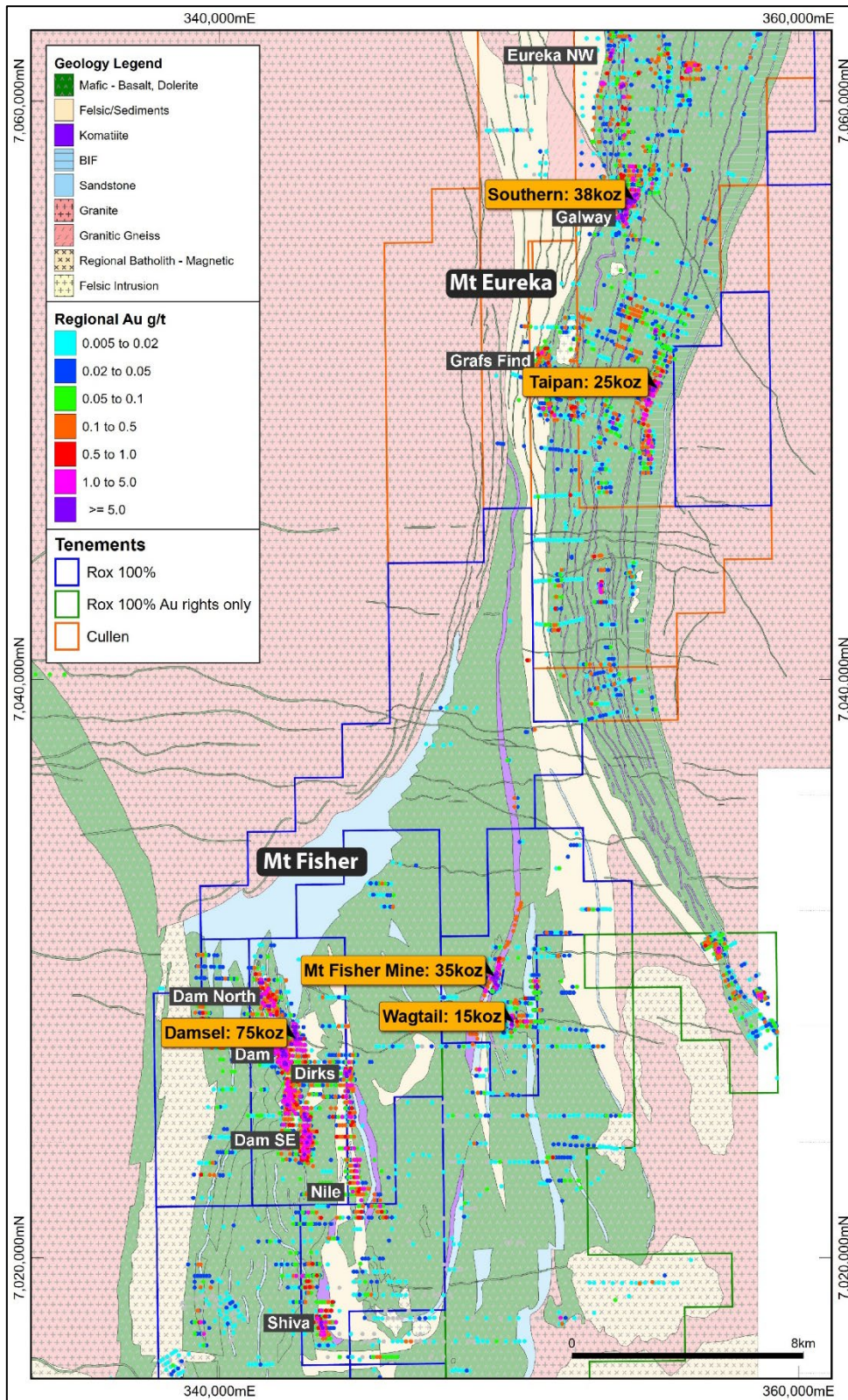


Figure 1: Mt Fisher – Mt Eureka prospect location plan over bedrock geology and downhole Au grades.

Corporate

On the 31 October 2022 Cannon Resources Limited (“**Cannon**”) (ASX: CNR) announced its entry into a bid implementation agreement with Kedalion Nickel Pty Ltd, a wholly owned subsidiary of Kinterra Battery Metals Mining Fund, LP, in respect of an off-market takeover for all of the ordinary shares in Cannon at a bid price of A\$0.45 per share.

Rox held 8,553,130 Cannon shares, or approximately 10% of all Cannon ordinary shares on issue.

Rox confirmed in December that it had accepted the Cannon Takeover and had received A\$3.8 million for its Cannon Shares.

In November, Rox raised \$4.0 million via a placement to sophisticated and professional investors at \$0.165 per share, and launched a Share Purchase Plan (SPP) to raise \$1 million (with the ability, at Board discretion, to accept over-subscriptions at the same issue price as the placement).

Tranche 1 of the Placement was completed on the 16 November 2022, with \$3.3 million received. Tranche 2 of the Placement is subject to approval by shareholders at a General Meeting on 10 February 2023 and is seeking approval to raise \$1.2 million.

The SPP closed on 1 December, with Rox accepting valid applications totalling \$4.4 million.

Mr Robert Ryan was appointed Chief Executive Officer and Managing Director of Rox with effect from 24 October 2022. Mr Ryan is a mining engineer with more than 20 years of experience in the resource sector, including exploration, resource development, feasibility studies, project development, mining operations and corporate mergers and acquisitions.

Mr Gregor Bennett, Rox’s Exploration Manager resigned during the quarter with Mr Travis Craig being appointed Rox’s Exploration Manager, effective 30 January 2023. Mr Craig is an experienced Exploration Manager, Resource Manager and Chief Geologist with over 25 years technical and senior management experience in Australia, Indonesia, PNG, Africa and the Middle East for gold and base metal projects.

Financial

As at 31 December 2022, the Company’s cash balance was \$10.5 million, an increase of \$8.8 million from 30 September 2022. The primary cash movements for the quarter were as follows:

Description	\$m
Capital raising (net of costs)	7.6
Proceeds from the sale of Cannon Resources	3.8
Exploration and evaluation expenditure (including Investing Activities)	(1.5)
Administration and employee costs	(1.1)
Total Cash Movement	8.8

Payments to related parties of the entity and their associates totalled \$550k and consisted of Executive and Non-Executive Director Fees.



Authorised for release to the ASX by the Board of Rox Resources Limited.

*****ENDS*****

For more information:

Robert Ryan

Managing Director

Tel: +61 8 9226 0044

E: admin@roxresources.com.au



Competent Person Statement

Exploration Results

The information in this report that relates to Data and Exploration Results is based on information compiled and reviewed by Mr David Thomas a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and Senior Geologist at Rox Resources. Mr Thomas has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Thomas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

Resource Statements

The Statement of Estimates of Mineral Resources for the Youanmi Near Surface Resource was reported by Rox in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 20th April 2022. Rox confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

The Statement of Estimates of Mineral Resources for the Youanmi Underground Resource was reported by Rox in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 20th January 2022. Rox confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

The Statement of Estimates of Mineral Resources that relates to gold Mineral Resources for the Mt Fisher project was reported by Rox in accordance with ASX Listing Rule 5.8 in the announcement released to the ASX on 2nd November 2022. Rox confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcements continue to apply and have not materially changed.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Rox Resources Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements.



About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The Company has a number of key assets at various levels of development with exposure to gold and copper.

Youanmi Gold Project (45% - 70%)

The Youanmi Gold Project is located 480 km to the northeast of Perth, Western Australia. The Youanmi Mining Centre has produced an estimated 667,000 oz of gold (at 5.47 g/t Au) since discovery in 1901 during three main periods: 1908 to 1921, 1937 to 1942, and 1987 to 1997.

The project is situated in the Youanmi Greenstone Belt, within the Southern Cross Province of the Archaean Yilgarn Craton in Western Australia. The structure of the Youanmi Project is dominated by the north-trending Youanmi Fault Zone. Most of the gold mineralisation seen at the project is hosted within north-northwest splays off the north-northeast trending Youanmi Fault.

The Youanmi Gold Project consist of four joint ventures with Venus Metals Corporation Limited. The OYG JV (Rox 70%, all minerals) covers 65km² and surrounds the Youanmi Gold Mine and nearby extensions; the VMC JV (Rox 50%, gold rights) lies immediately south of the OYG JV and covers 302km² with some 35km of strike the Youanmi shear zone; The Youanmi JV (Rox 45%, gold rights) covers 270km² and lies to the south west and north east of the OYG JV and the Currans Find JV (Rox 45%, all minerals) which covers 4km² and is located within the Youanmi Greenstone Belt and situated approximately 5 km north-northwest of the historical Penny West gold mine.

Mt Fisher Gold Project

The Mt Fisher / Mt Eureka Project is located in the Northern Goldfields, about 500km north of Kalgoorlie (about 120km east of Wiluna). Rox holds 1,150km² of the Mt Fisher greenstone belt and surrounding prospective zones (Rox 100% 500km²) and in the Mt Eureka area via the Cullen Resources JV, 650km² (Rox currently earning up to 75%, Cullen Resources Limited 25%).

Drilling by Rox has defined numerous high-grade gold targets and a JORC 2012 Measured, Indicated and Inferred Mineral Resource of 3.5 million tonnes grading 1.7 g/t Au reported at a 0.5 g/tAu cut-off exists for 187,000 ounces of gold (ASX:RXL 2 November 2022).

Appendix 1 – Mining Tenements

Project	Interest	Tenement Number	Interest held at beginning of quarter	Interest held at end of quarter
Mt Fisher, WA	All Minerals	E53/1061	100%	100%
	All Minerals	E53/1106	100%	100%
	All Minerals	E53/1836	100%	100%
	All Minerals	E53/1319	100%	100%
	All Minerals	E53/1788	100%	100%
	All Minerals	M53/0009	100%	100%
	All Minerals	M53/0127	100%	100%
	All Minerals	E36/0948	100%	100%
	Gold Rights	E53/1218	100%	100%
	All Minerals	E53/2002	100%	100%
	All Minerals	E53/2075	100%	100%
	All Minerals	E53/2095	100%	100%
	All Minerals	E53/2102	100%	100%
	All Minerals	E53/2199	100%	100%
	All Minerals	E53/2201	0%	100%
	Application	E53/2254	0%	0%
	Application	L53/0262	0%	0%
Youanmi Gold Project, WA	All Minerals	E57/1121	100%	100%
	All Minerals	E57/1122	100%	100%
	All Minerals	E57/1123	100%	100%
	All Minerals	E57/1209	0%	100%
	All Minerals	E57/1210	0%	100%
	Application	E57/1236	0%	0%
	Application	E57/1237	0%	0%
	Application	L57/0058	0%	0%
	Application	L57/0059	0%	0%
Youanmi - OYG JV, WA	All Minerals	M57/0010	70%	70%
	All Minerals	M57/0051	70%	70%
	All Minerals	M57/0075	70%	70%
	All Minerals	M57/0097	70%	70%
	All Minerals	M57/0109	70%	70%
	All Minerals	M57/0135	70%	70%
	All Minerals	M57/0160A	70%	70%
	All Minerals	M57/0164	70%	70%
	All Minerals	M/570165	70%	70%
	All Minerals	M57/0166	70%	70%
	All Minerals	M570167	70%	70%
	Youanmi - Sandstone Youanmi JV, WA	Gold Rights	E57/0985	45%
Gold Rights		E57/0986	45%	45%
Gold Rights		E57/1011	45%	45%
Gold Rights		P57/1365	45%	45%
Gold Rights		P57/1366	45%	45%

Appendix 1 – Mining Tenements

Project	Interest	Tenement Number	Interest held at beginning of quarter	Interest held at end of quarter
Youanmi - VMC JV, WA	Gold Rights	E57/0982	50%	50%
	Gold Rights	E57/1018	50%	50%
	Gold Rights	E57/1019	50%	50%
	Gold Rights	E57/1023-I	50%	50%
	Gold Rights	E57/1078	50%	50%
Youanmi - Currans JV, WA	All Minerals	M57/0641	45%	45%
	All Minerals	M57/0642	45%	45%
Mt Eureka - Cullen JV, WA	All Minerals	E53/1209	51%	51% (Earning up to 75%)
	All Minerals	E53/1299	51%	51% (Earning up to 75%)
	All Minerals	E53/1637	51%	51% (Earning up to 75%)
	All Minerals	E53/1893	51%	51% (Earning up to 75%)
	All Minerals	E53/1957	51%	51% (Earning up to 75%)
	All Minerals	E53/1958	51%	51% (Earning up to 75%)
	All Minerals	E53/1959	51%	51% (Earning up to 75%)
	All Minerals	E53/1961	51%	51% (Earning up to 75%)
	All Minerals	E53/2052	51%	51% (Earning up to 75%)
	All Minerals	E53/2063	51%	51% (Earning up to 75%)