

ASX: RXL



# Cashed Up Nickel Explorer

**Rox Resources Limited**

**RIU Investor Roadshow**

**25 & 27 September 2018**

ASX: RXL [www.roxresources.com.au](http://www.roxresources.com.au)



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## Competent Person Statements

### Resource Statements

*The information in this report that relates to nickel Mineral Resources for the Olympia deposit was reported to the ASX on 18 August 2017 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 18 August 2017, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 18 August 2017 continue to apply and have not materially changed.*

*The information in this report that relates to nickel Mineral Resources for the Fisher East project was reported to the ASX on 5 February 2016 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 5 February 2016, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 5 February 2016 continue to apply and have not materially changed.*

*The information in this report that relates to gold Mineral Resources for the Mt Fisher project was reported to the ASX on 28 March 2018 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 28 March 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 28 March 2018 continue to apply and have not materially changed.*

### Exploration Results

*Exploration Results herein are based on information compiled and released to the ASX as follows:*

*Fisher East and Mt Fisher (ASX:RXL Between 1 April 2011 and the present)*

*Collurabbie (ASX:FCN 17 August 2004, 10 November 2004, 3 December 2004, 8 March 2005, 5 July 2010, and 8 July 2011, ASX:RXL 10 October 2017).*

*In the case of the Exploration Results reported under the 2004 JORC Code, they have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

# It's All About Nickel



*"Amongst the highest grade Ni in WA"*

High Grade Nickel Sulphide Resources in WA

*"WA is a stable and reliable jurisdiction"*

*"Ni price is up 70% in last year"*

4.8 Mt @ 2.0% Ni; 91,000t Ni\*

Major Re-rating of Rox share price

*"Valuation of peers is higher per resource tonne of Ni"*

Scoping Study Revision Underway

Upswing in Ni price underway



*\*See Appendix for resource details*

# Scoping Study Update



- Updated Scoping Study based on a new Conceptual Mining Study – stope optimisations, detailed mine schedule – optimum mining rate was 500 ktpa
- Other parameters same as previous Scoping Study in 2015<sup>1</sup>
- Three possible cases to be examined:
  - Build a concentrator on site (Concentrator Case)
  - Truck ore to nearby plant (Toll Mill Case)
  - Increase mineable material by 50% with concentrator on site (Blue Sky Case) – based on Exploration Targets
- Amount of mineable material in Scoping Study expected to be > ~90% Indicated Resources

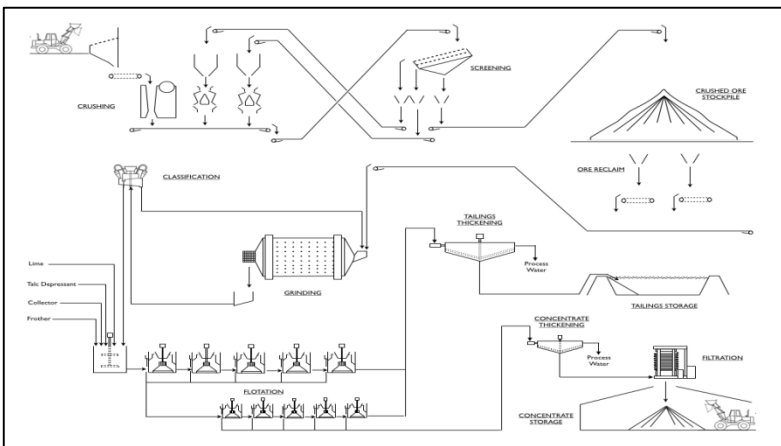
<sup>1</sup> ASX:RXL 17 February 2015



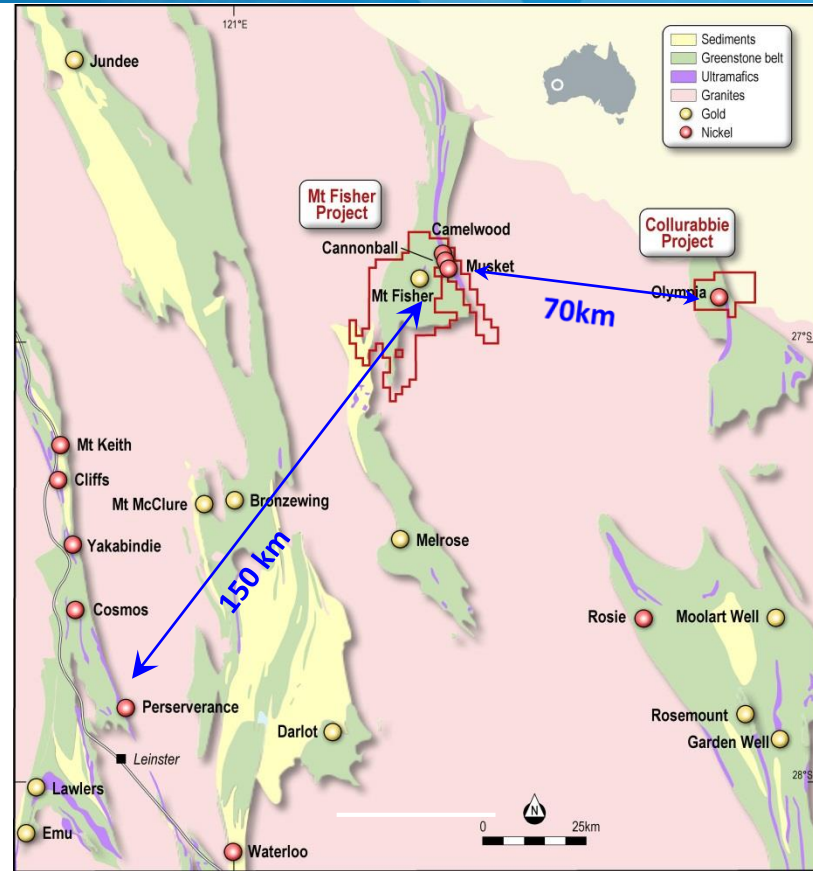
# Previous Scoping Study



- **Low technical risk project:**
  - Toll milling – truck ore to nearby plant (two plants within 200km)
  - Build a plant on site – truck concentrate for sale
- Decline to underground mine ~70-100m depth
- Standard underground mining techniques and costs
- Simple process flow sheet and logistics
- Metallurgical recoveries, 80 – 99%, and saleable concentrate grades, 10 - 14% Ni, acceptable Fe:MgO ratios, low As (no penalties)
- Straight forward project dependent on nickel price
- Increased resources will increase mine life and project value

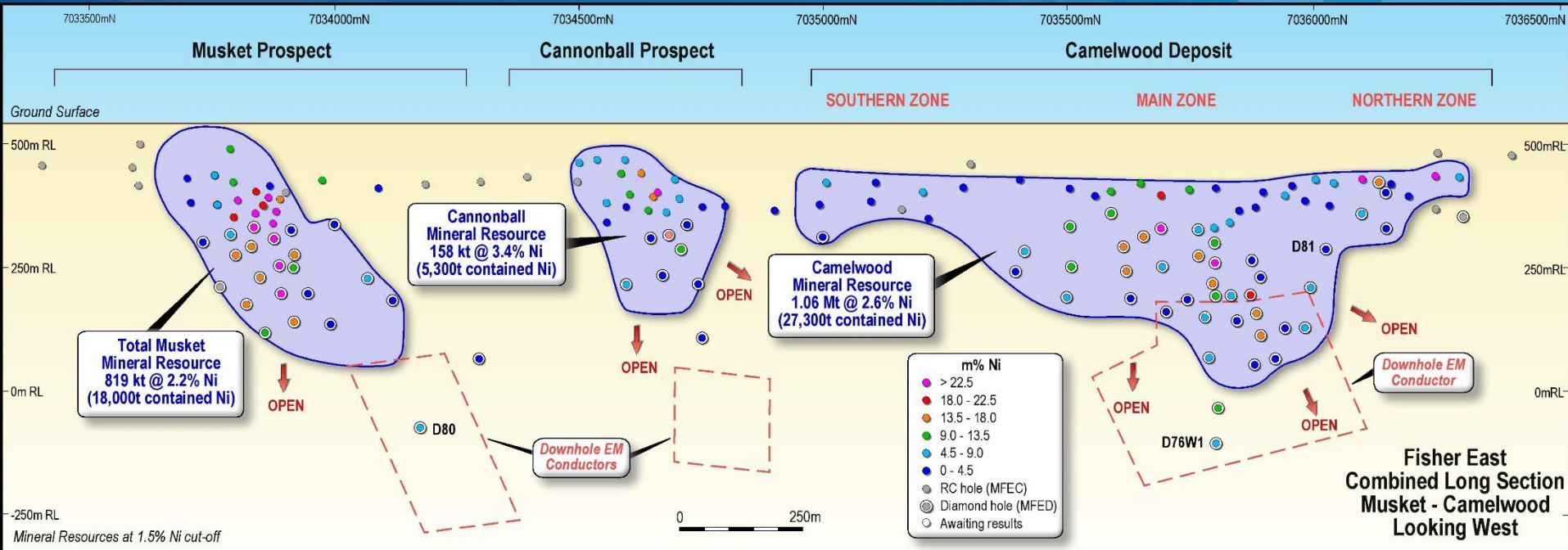


# Nickel Sulphide Discoveries



- Two exceptional high grade nickel sulphide resources in WA's northern goldfields
- 70km apart
- 150km from established infrastructure

# Fisher East Resources

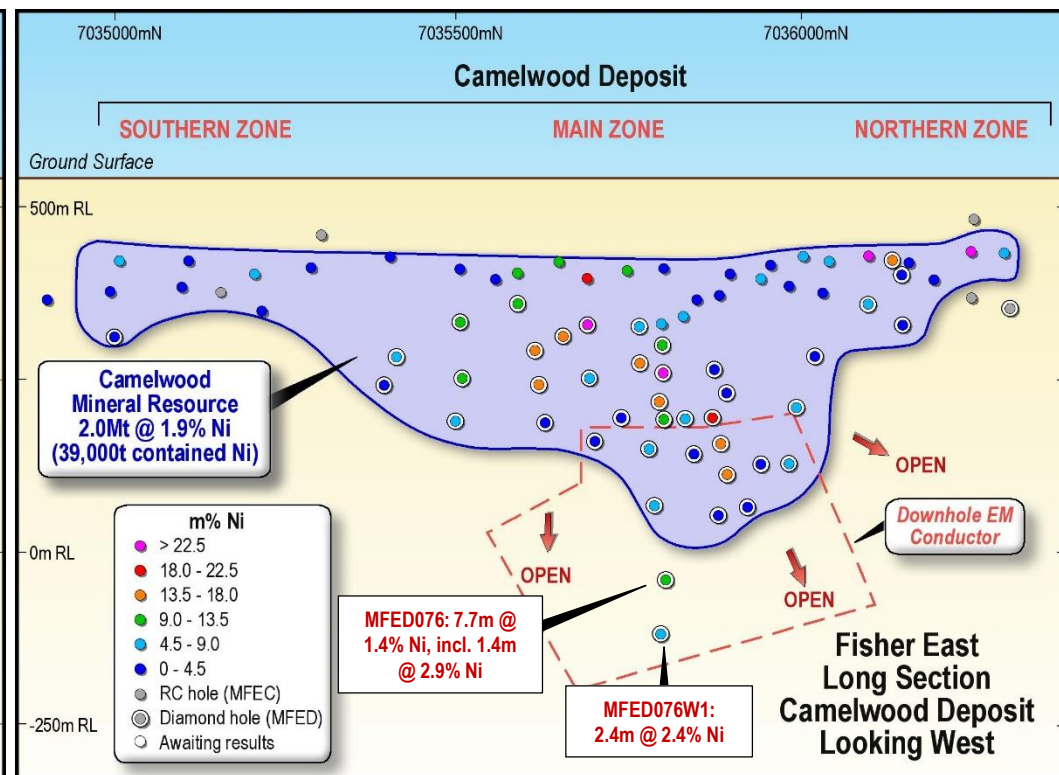
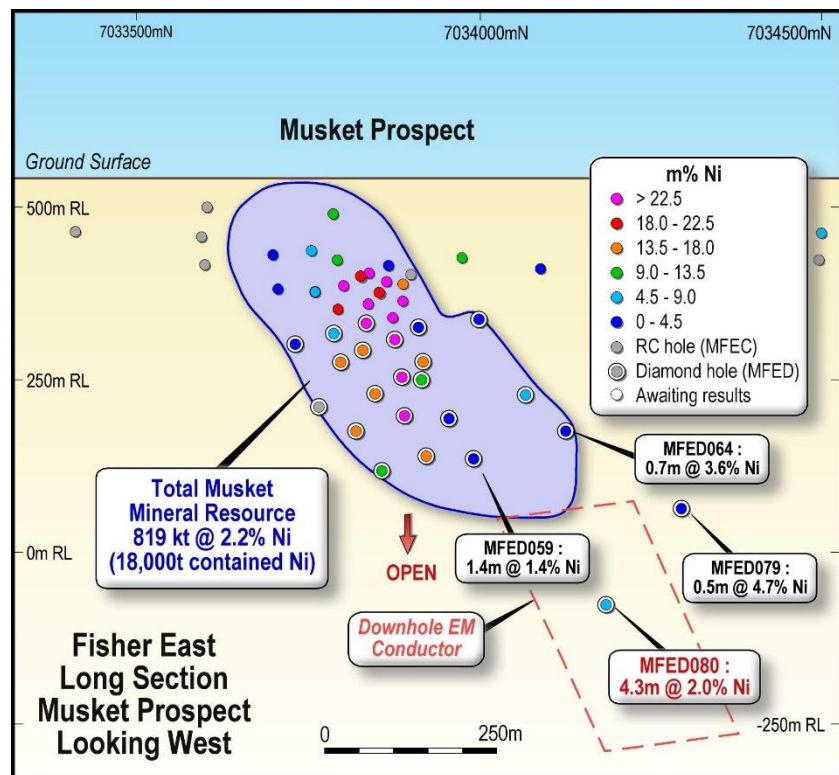


- Total Mineral Resource\* of **4.2 Mt @ 1.9% Ni**, for **78,000 tonnes Ni metal**
- Drilling to increase current resources and explore to identify new discoveries

\* See Appendix for Mineral Resource details

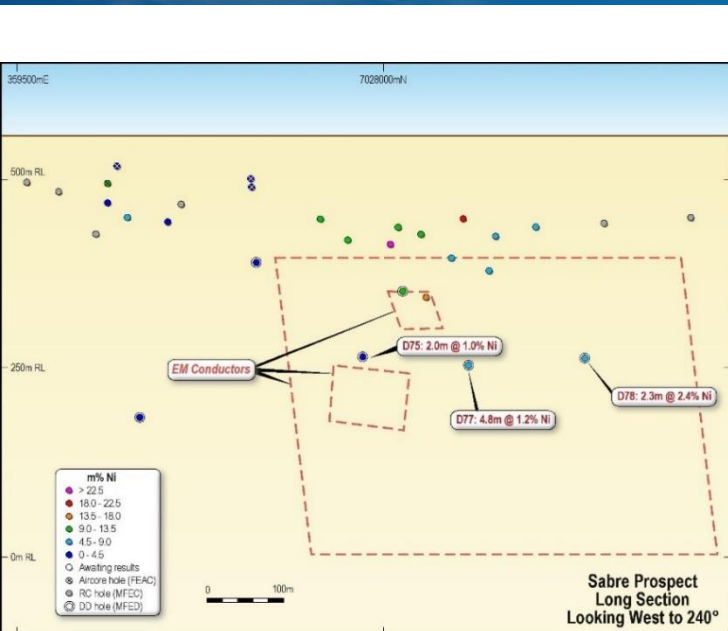


# Resource Extensions



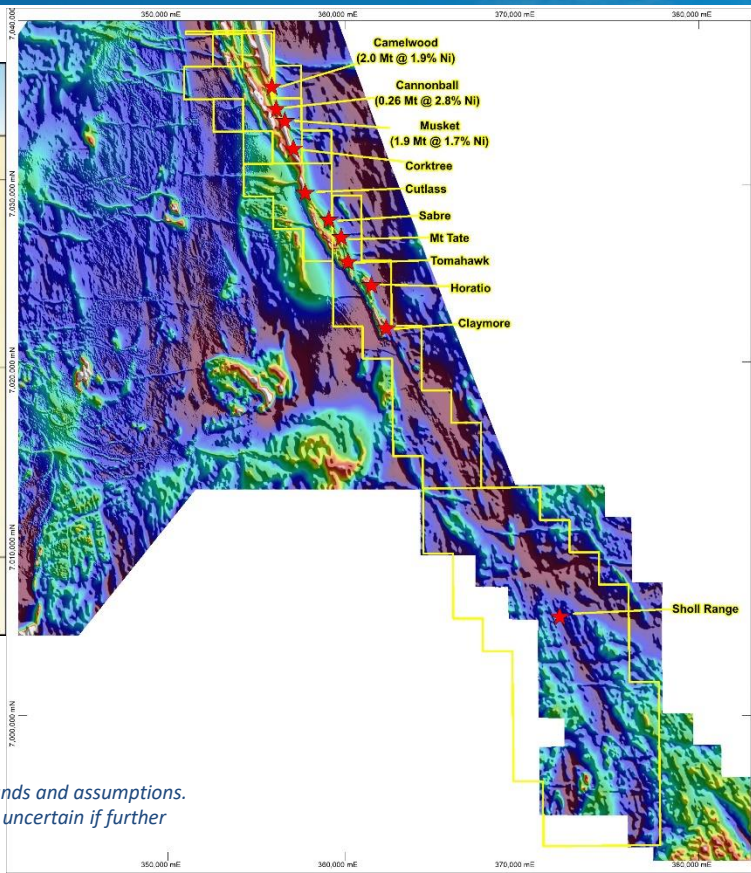


# Blue Sky Achievable



## Sabre Exploration Target 1.5 - 2Mt @ 1.6 - 1.8% Ni

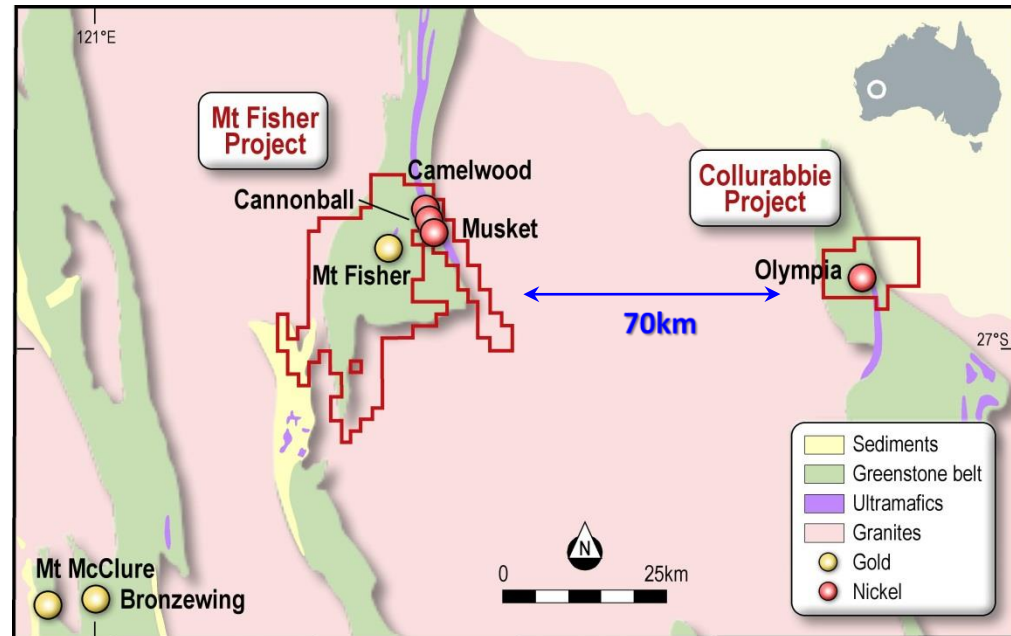
*This Exploration Target is conceptual in nature, but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource*



- Exploration ongoing on several targets along 25km of strike
- Exploration Target of 1.5 – 2Mt @ 1.6 – 1.8% Ni at Sabre
- Fresh sulphides in aircore at Mt Tate and Sholl Range to follow up
- Over 40km of strike

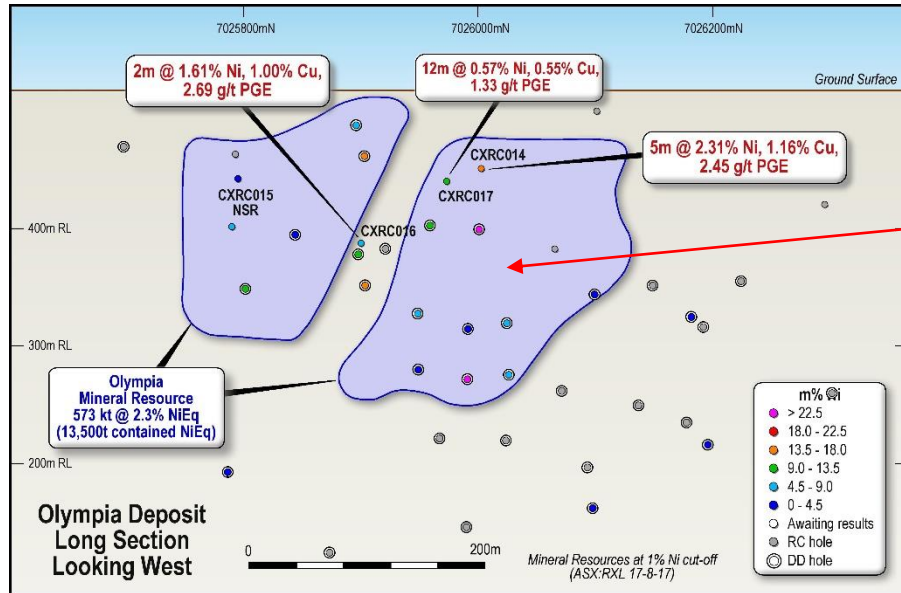
# Collurabbie

- 167 km<sup>2</sup> of prospective tenure
- Main discovery at Olympia deposit
- Only 70km from Fisher East
- Widespread Ni-Cu-PGE mineralisation** over ~15km strike length on multiple stratigraphic horizons
- Underdone previous exploration**
- Extensive and quality datasets of drilling and geophysics
- Drill targets for Ni-Cu-PGE and Au
- Counter-cyclical high quality acquisition at a relatively cheap\* price



\* \$25,000 cash + 7.5 million RXL shares (~\$150K)

# Exploration Potential



- New exploration results at Olympia potentially extend mineralisation

\* See Appendix for Mineral Resource details

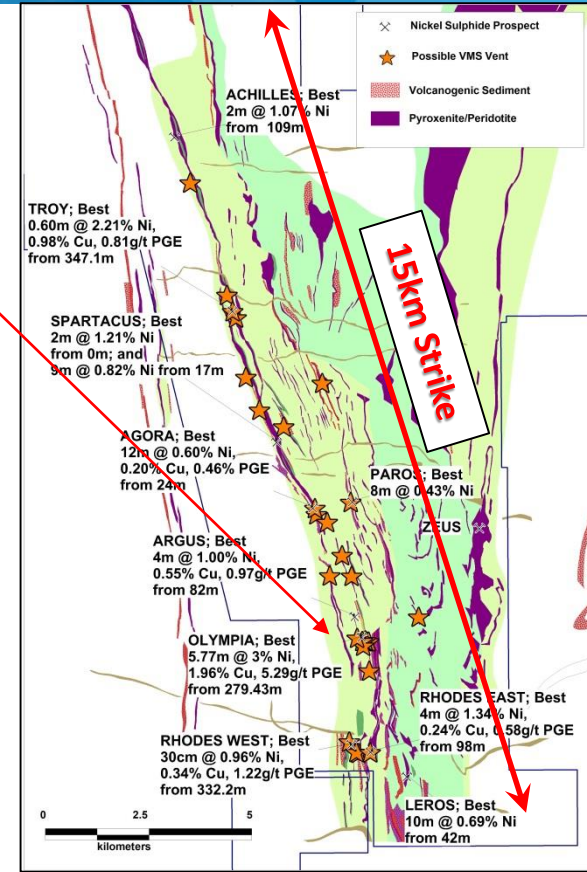
- Olympia Mineral Resource of **573,000 tonnes @ 1.6% Ni, 1.2% Cu, 0.08% Co and 2.3 g/t Pt+Pd, 2.3% NiEq\***

- High grade drill intercepts

- Open at depth

- Exploration potential over 15km of strike

- Metallurgical test work planned

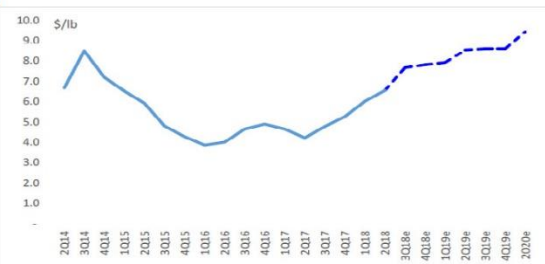




# Nickel Deficit is Coming

## ■ Leveraged to Nickel Price

DB expects NI price to average USD7.0/lb in 2018



Source: LME, Deutsche Bank estimates

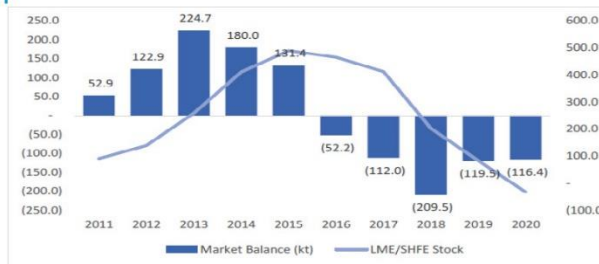
### Deutsche Bank Commodity Price Forecasts\*

- 2018 - \$7.02/lb
- 2019 - \$8.42/lb
- 2020 - \$9.45/lb
- 2021 - \$9.35/lb

Graphic from Panoramic Resources (PAN) presentation 19 July 2018 (page 12)

Source: UBS June 2018, Deutsche Bank July 2018

DB sees a record-breaking market shortage in 2018...



Source: Wood Mackenzie, Deutsche Bank

### Electric Vehicles (EVs) need Nickel – UBS, June 2018

"Nickel is our preferred play on a >12 month view. Inventories are falling, premiums are up and nickel-rich EV battery demand is rising rapidly."

### Record nickel deficit in 2018; LME stock depletion a risk before 2020 – Deutsche Bank, July 2018

"We see a record deficit for the nickel market of close to 210kt in 2018 and expect this to be followed by another large 119kt deficit in 2019. The nickel market has already started to tighten materially – traders have been pulling metal units from LME warehouses in preparation for strong import demand in China to feed both healthy stainless demand conditions and rapid growth in the nickel sulphate sector."

# Key Points

- Fisher East Scoping Study Update underway
- Concentrator, Toll, and Blue Sky Cases being examined
- Large shallow mineral systems (over 10km in strike length, open at 700m depth, sulphides at 60m depth)
- Aggressively exploring tenements covering > 500km<sup>2</sup>
- Straight forward underground mining & processing
- Excellent metallurgy and concentrate specs
- Strong treasury of cash & receivables = **\$12.8 million\***



*\* NPV of \$3.75m receivable is A\$2.4, plus \$10.4m cash (as at 30 June 2018)*

*Equipment and mine shown in top right photograph not owned by Rox*

# Corporate Information

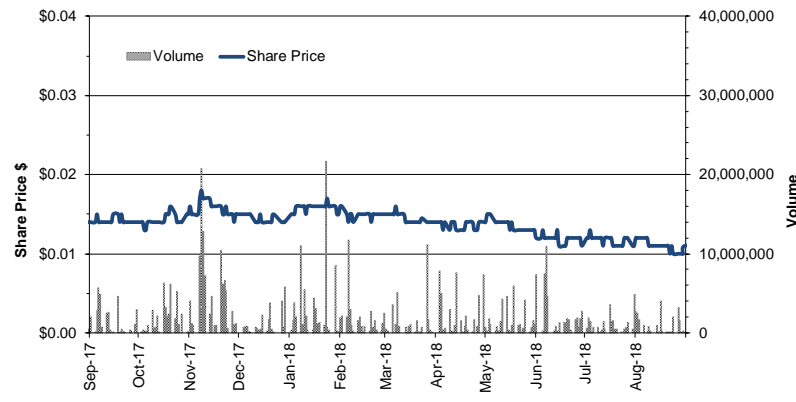


## Capital Structure

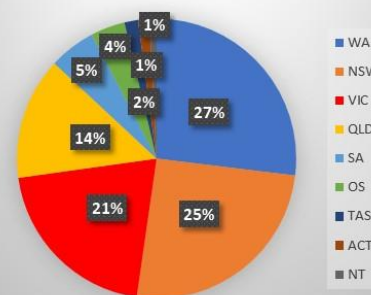
ASX Code:	RXL
Shares on Issue:	1,259M
Share Price:	A\$0.010
Unlisted Options:	65.8M
<b>Market Cap:</b>	<b>\$12.6M</b>
<b>Cash &amp; Receivables* (at 30 Jun 2018):</b>	<b>\$12.8M</b>
Debt:	Nil
EV:	\$-0.2M
Top 20:	22%

Trading at ~Cash Backing

Rox Share Price, Last 12 Months



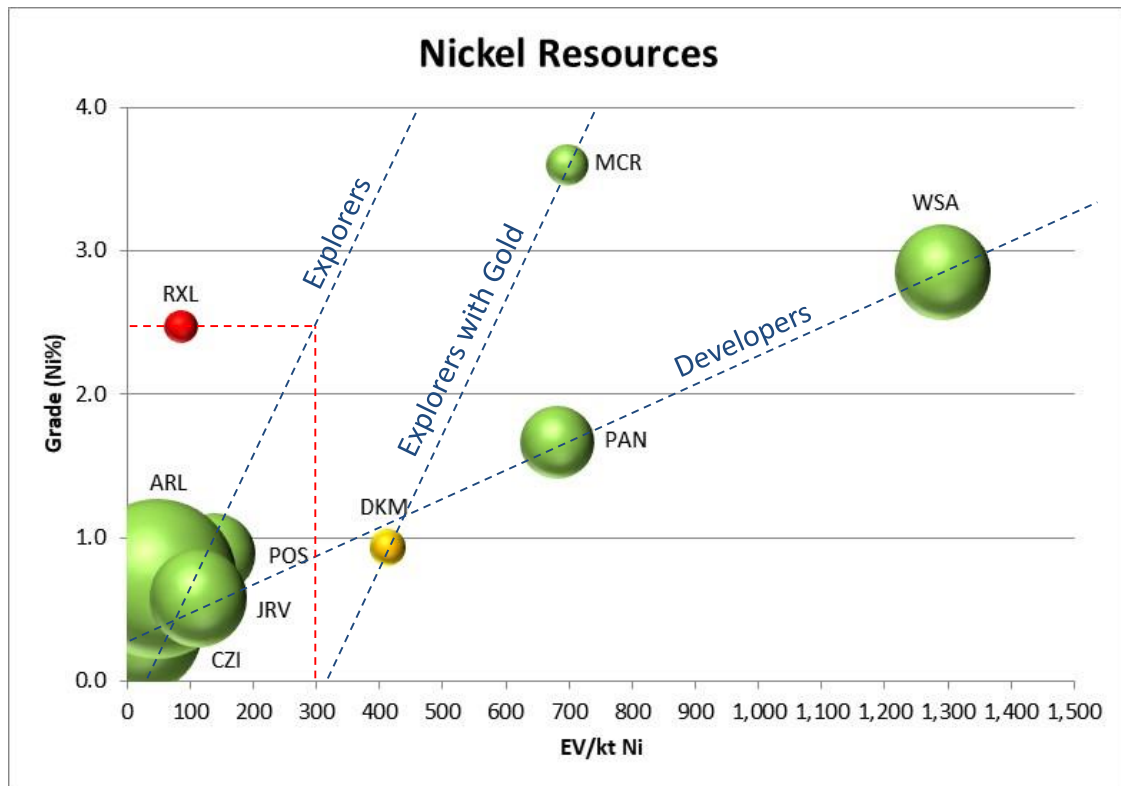
Rox Shareholding



\* NPV of A\$3.75 million deferred payment from Teck for Reward sale is A\$2.4 million



# Value Proposition



Bubble size relates to amount of contained nickel

- Two relationships between EV/kt Ni and Ni grade – explorers and developers
- RXL EV/kt Ni is ~\$300/kt Ni = \$27 million
- Cash & receivables have an NPV ~\$13m
- Rox's market cap should be ~\$40m (>3 cents/share)
- Independent research\* has valued Rox at just that

\*e.g. Bell Potter, Stock Analysis



# Thank You

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# Appendix – Mineral Resources



## Fisher East Nickel, ASX:RXL 5 February 2016

Deposit	Category	Tonnes (Mt)	Ni%	Ni (kt)
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	<b>Total</b>	<b>2.0</b>	<b>1.9</b>	<b>39.0</b>
Cannonball	Indicated	0.24	2.9	7.0
	Inferred	0.02	1.9	0.3
	<b>Total</b>	<b>0.26</b>	<b>2.8</b>	<b>7.3</b>
Musket	Indicated	1.8	1.7	30.0
	Inferred	0.1	1.5	1.5
	<b>Total</b>	<b>1.9</b>	<b>1.7</b>	<b>31.6</b>
<b>TOTAL</b>	<b>Indicated</b>	<b>3.7</b>	<b>1.9</b>	<b>71.0</b>
	<b>Inferred</b>	<b>0.5</b>	<b>1.5</b>	<b>7.0</b>
	<b>Total</b>	<b>4.1</b>	<b>1.9</b>	<b>78.0</b>

Fisher East: 1.0% Ni block cut-off grade.  
Values may not sum due to rounding.

## Olympia Nickel-Copper-PGE, ASX:RXL 18 August 2017

Tonnes (kt)	Ni %	Cu %	Co ppm	Pd ppm	Pt ppm	NiEq %*	NiEq (kt)	Pd+Pt (koz)
<b>573</b>	<b>1.6</b>	<b>1.2</b>	<b>820</b>	<b>1.5</b>	<b>0.85</b>	<b>2.4</b>	<b>13.5</b>	<b>43.0</b>

\*NiEq = (Ni grade x Ni price x Ni recovery + Cu grade x Cu price x Cu recovery) / (Ni price x Ni recovery)

Where Ni price = US\$10,300/t, Ni recovery = 85% (assumed), Cu price = US\$6,322/t, Cu recovery = 85% (assumed)

Olympia: 1.0% Ni block cut-off grade.

Values may not sum due to rounding.