

ASX: RXL



# Rox Resources

# RIU Explorers Conference Presentation

19 February 2019

Alex Passmore

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

Chief Executive Officer

# Disclaimers



## Forward-Looking Statements

*This presentation has been prepared by Rox Resources Limited. This document contains background information about Rox Resources Limited current at the date of this presentation. The presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.*

*This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.*

*This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.*

*This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.*

*To the fullest extent permitted by law, Rox Resources Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of negligence or otherwise is accepted.*

*This presentation may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Rox Resources Limited. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Rox Resources Limited does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.*

## Competent Person Statements

### Exploration Results

*The information in this report that relates to previous Exploration Results, was either prepared and first disclosed under the JORC Code 2004 or under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of original announcement to ASX. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, they have not been updated to comply with the JORC*

### Resource Statements

*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 nickel Mineral Resources for the Collurabie project 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 gold Mineral Resources for the Mt Fisher project was reported to the ASX on 11 July 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.*

# Disclaimers



## Cautionary Statement – Scoping Study Parameters

*The updated Scoping Study released to the ASX on the 10<sup>th</sup> of October 2018 is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the updated Scoping Study will be realised.*

*The updated Scoping Study and the production targets derived from the updated Scoping Study are preliminary in nature as the conclusions are drawn on Inferred Mineral Resources (12%) and Indicated Mineral Resources (88%).*

*The Indicated Mineral Resources and Inferred Mineral Resources underpinning the conclusions from the updated Scoping Study, including the production targets, have been prepared by a competent person in accordance with the requirements of JORC Code 2012 Edition. This announcement does not include an estimate of Ore Reserves as the supporting modifying factors have not been determined to a sufficient level of confidence.*

*Some (12%) of the Mineral Resources used in the study are Inferred Mineral Resources. When subset to the Resources in the Mining Plan there are only 4.2% Inferred Resources. There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the predictions of expected costs or production rates contained herein, and the production targets themselves, will be realised.*

*Unless otherwise stated all financial figures are in Australian dollars, are undiscounted and are not subject to inflation or escalation factors. All years are calendar years.*

*At this stage no toll milling agreement has been negotiated and there is no certainty that an acceptable toll milling agreement can be negotiated.*

*The forward nickel price and exchange rate assumptions in this report are based on a careful consideration of market forecasts and consensus by a number of third parties. There is no guarantee that this nickel price or exchange rate will be realised.*

*The Company has concluded that there is a reasonable basis for providing the forward-looking statements included in this report and detailed reasons for that conclusion are contained herein. The Company cautions though that there is no certainty that the forecast financial information or production targets will be realised. Material assumptions underpinning the production target and forecast financial information derived from the production targets are set out in this announcement.*

*The Study referred to in this announcement is a technical and economic investigation of the viability of the Fisher East Project. It is based on low accuracy technical and economic assessments, (+/- 35% accuracy) and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Study will be realised. The Production Target referred to in this presentation is based on JORC Resources which are approximately 96% Indicated and 4% Inferred. The mine plan has been generated using stope optimisation and averaging of grades over multiple year periods prior to the application of mining dilution. To achieve the outcomes indicated in this study initial funding in the order of A\$48 to A\$87 million is likely to be required. Investors should note that there is no certainty that Rox will be able to raise funding when needed. It is also possible funding may only be available on terms that may be dilutive to or otherwise effect the value of Rox's shares.*

# Highlights



- New management, new energy, focus, and strategy
- Rox is a junior exploration and development company that has a strong history of exploring for, and discovering, base metal and gold deposits.
- The company has traded mineral assets when these have not met the strategic imperatives of the company or when a divestment represented an exceptionally strong return.
- The Rox team has a strong technical background and the recent addition of new CEO (Alex Passmore) adds market knowledge and project generation capacity.
- Well funded with \$11.6m cash and receivables.
- JORC Mineral Resources of **gold** and **nickel**
- Australia, gold and base metals our focus going forward



\* As of 31 December 2018, \$7.9 million cash at bank, \$3.75 million due from Teck by 15 February 2023 from Reward project sale, \$0.4m Thor shares



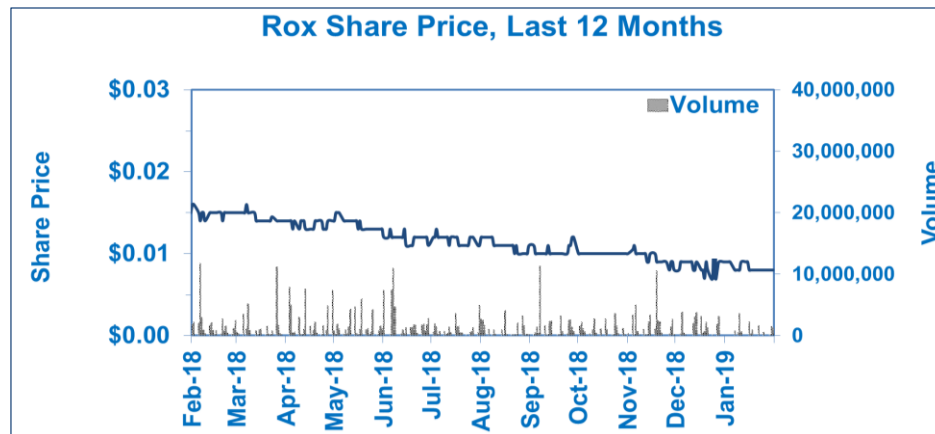
# Corporate Information



Capital Structure	
ASX Code:	RXL
Shares on Issue:	1,259M
Share Price:	A\$0.008
Unlisted Options:	65.8M
Market Capitalisation:	\$10.1M
Cash & Receivables* (at 31 Dec 2018):	\$11.6M
Debt:	Nil
Top 20:	22%

\* A\$3.75 million deferred payment from Teck for Reward sale, plus \$0.4 million in held shares and \$7.9 million in cash (as at 31 December 2018)

Board and Management	
Chairman	Stephen Dennis
Managing Director (retiring)	Ian Mullholland
Finance Director	Brett Dickson
Chief Executive Officer	Alex Passmore
Exploration Manager	Will Belbin

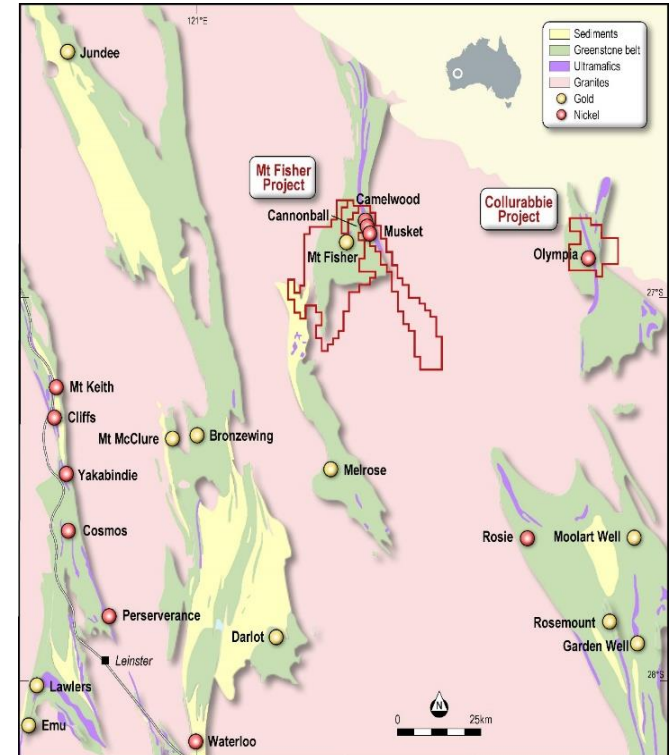


- Lack of market liquidity and market recognition for RXL
- H2 CY2018 was characterised by broader market weakness
- Trading below cash and receivables on low volumes.
- Has suffered from a lack of news flow and market apathy
- Management very aware of the value disconnect

# Gold – renewed focus

- Gold remains a key focus of Rox Resources
- Gold development projects can be scaled to suit capital availability
- Lower complexity in development
- The company has a commanding position in two underexplored greenstone belts along strike from Dingo Range and Duketon belts
  - Mt Fisher Project comprises 573km<sup>2</sup> of granted tenure
  - Collurabbie Project comprises 167km<sup>2</sup> of granted tenure
- Two of the most remote greenstone belts in Western Australia
- A lack of known gold occurrences reflects remoteness and increasing cover not a lack of prospectivity
- At the NE margin of the Yilgarn Craton – proximal to deformation zone
- Large scale gold-in-regolith anomaly along complex Mt Fisher western shear zone (Damsel-Dam-Shiva) – 10km long.
- Collurabbie along strike from Moolart Well, Garden Well and underexplored for gold

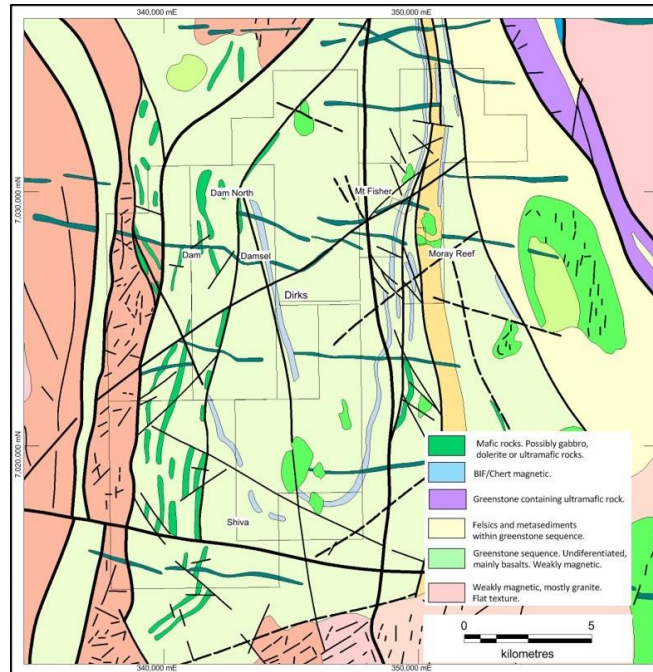
## Rox Resources – Mt Fisher & Collurabbie



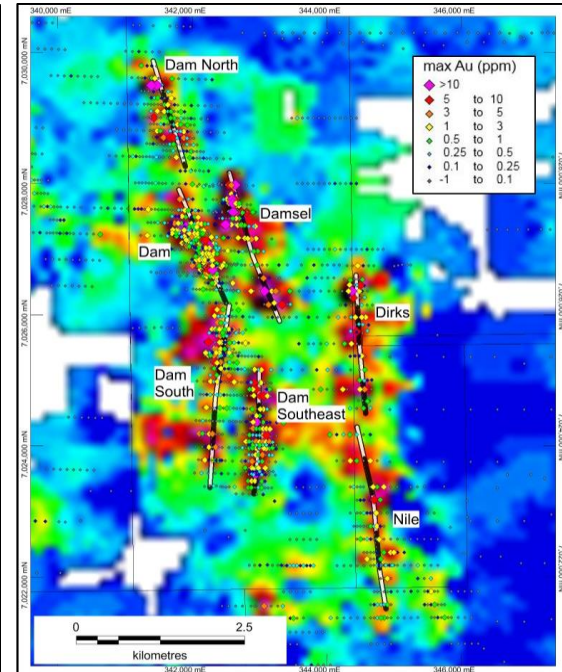
# Mt Fisher Gold Project

- ▶ JORC Mineral Resource of **89,000 oz\*** @ **2.7 g/t Au**
- ▶ Majority of the known gold mineralisation (excluding extensions to historical Moray Reef and Mt Fisher) is found within regolith. Basement source of gold not yet found or adequately tested.
- ▶ Amount of gold seen in the regolith suggests a significant basement source
- ▶ Intersection of NNE and NS structures the most prospective
- ▶ Deeply weathered profile means aircore is of limited utility

## Mt Fisher Project Scale Geology



## Mt Fisher Project – max Au downhole



\* See Appendix for Mineral Resource details

# Gold Mineralisation

- Mt Fisher gold mineralisation is typical of greenstone-hosted Archean lode gold
- Lithology, structure and weathering are primary controls on gold mineralisation

## Project Summary

### Moray Reef

- High-grade resource defined (7.53g/t Au)
- Small 20m deep stope was mined at 66g/t Au head grade historically (c.3koz Au)
- Modest resource, depth and strike extensions likely
- Quartz vein / extensional fracture / en-echelon shear

### Mt Fisher

- BIF Hosted
- Small, shallow open pit mined at 4.3 g/t Au (c.22.4koz Au)
- Extensions at depth, down plunge likely
- Potential for a pit cut back

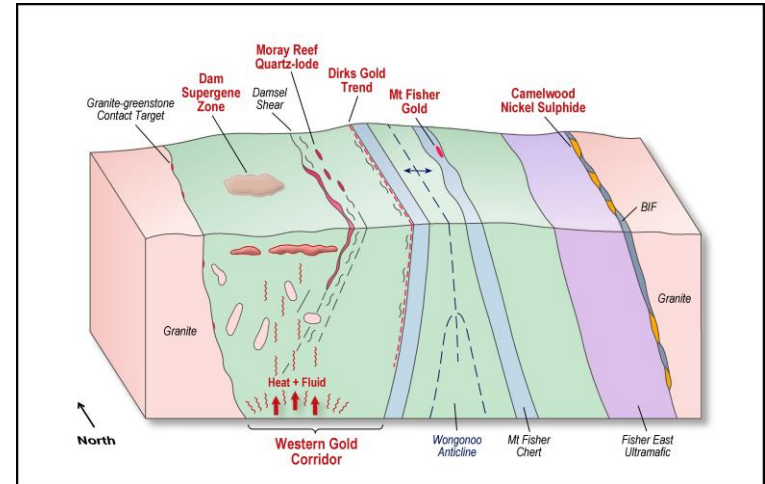
### Damsel Shear

- Shear zone hosted
- Relatively continuous mineralisation
- Looking for dilational jogs, changes in orientation of major shear within mafic rocks
- Extensions at depth, down plunge likely

### Dam

- Gold in regolith, large gold in soil anomaly

## Conceptual Model - Mt Fisher gold mineralisation



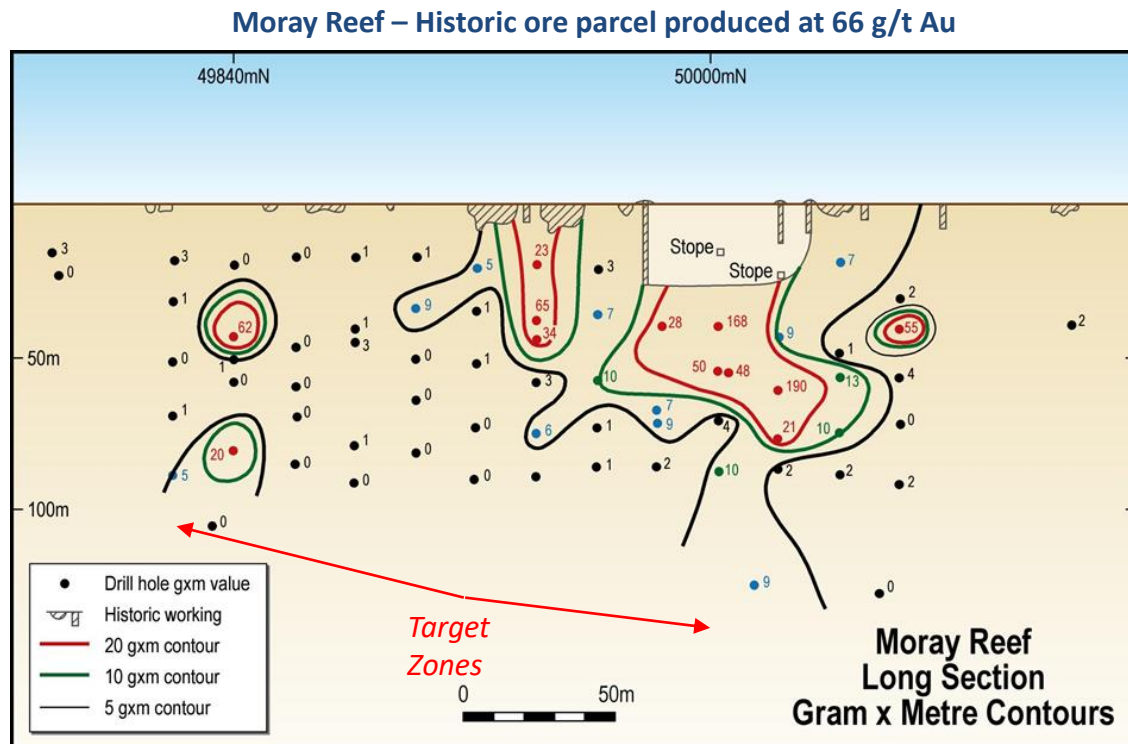
## Main styles of mineralization at Mt Fisher:

- **Regolith (weathering) - Dam**
- **Shear zone (structure) – Damsel**
- **BIF (lithology) – Mt Fisher**
- **Porphyry margins (lithology) – Granite contact (+/- Dam)**
- **Qz Vein (structure) – Moray Reef**



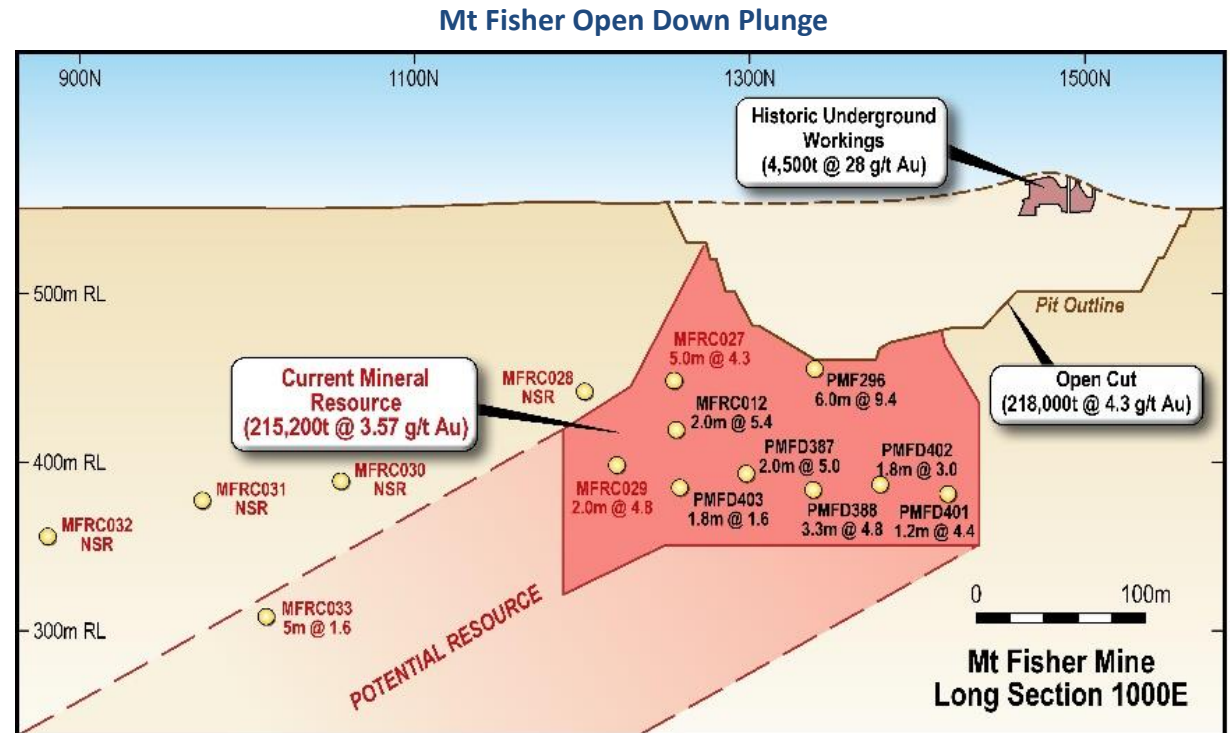
# Moray Reef

- Archaean narrow vein quartz hosted gold reef system. The mineralisation is hosted in a narrow shear zone in relatively massive tholeiitic basalt
- Quartz reef strikes north-south, with a sub-vertical to steep easterly dip
- Two ore shoots have previously been interpreted to exist along the shear zone
  - the main shoot having a strike length of approximately 150m
  - the southern shoot has a strike length of 20m
- Geological continuity remains remarkably consistent along strike and down dip



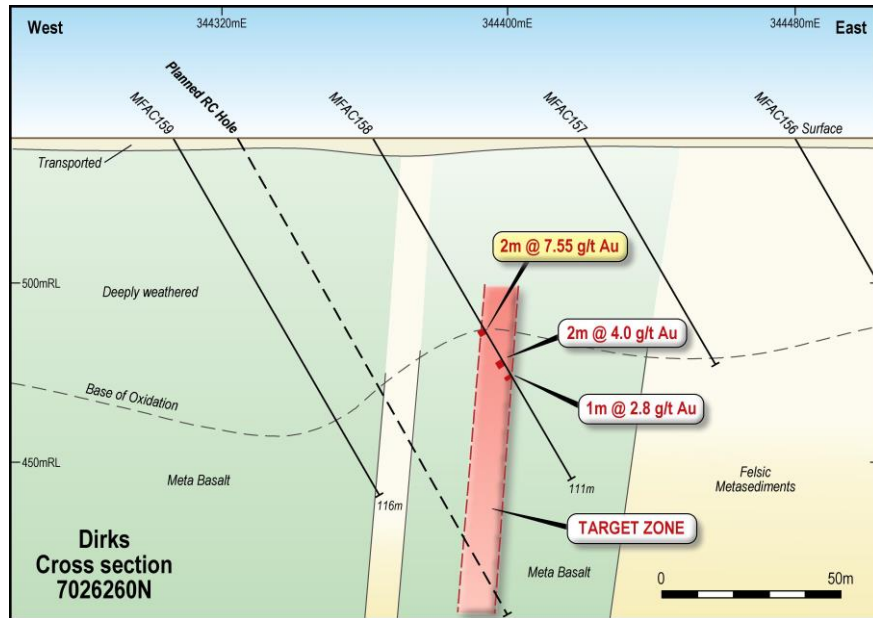
# Mt Fisher Mine

- Situated on the eastern limb of the Wonganoo Anticline
- The sequence strikes north-northeast and dips to the east between 40 and 90 degrees
- The gold deposit is hosted within a well defined sulphidic chert and banded iron unit
- The chert, and also the gold mineralisation, varies in thickness from a couple of metres to several metres thick and dips to the east at about 45 degrees
- Potential for a pit cutback

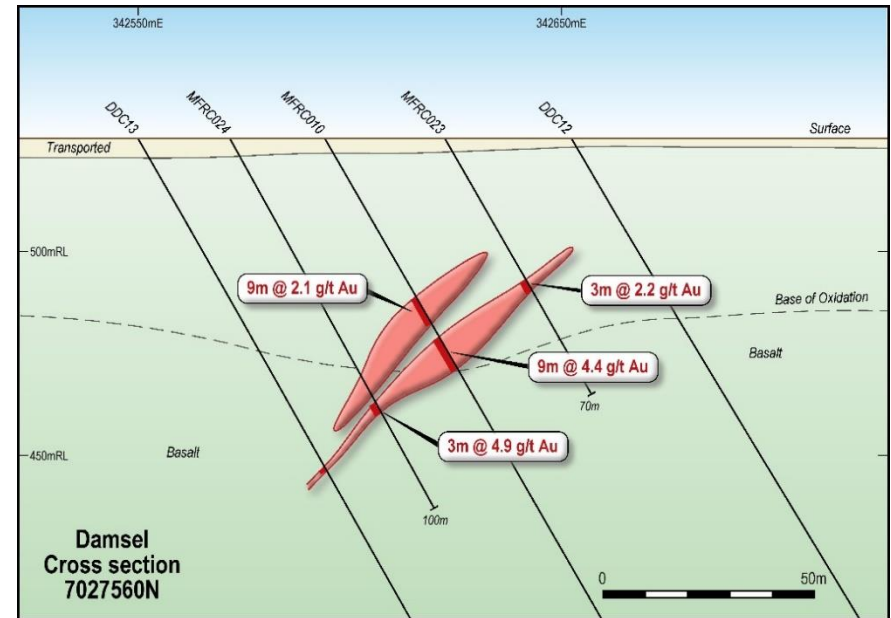


# Dirks and Damsel

Dirks: depth extensions being tested in 2019



Damsel: reasonable continuity, targeting resource growth



# Dam (Regolith) Gold

- Previous work has identified the presence of considerable supergene gold enrichment along a number of separate parallel structures. However basement sources have not been identified with any certainty
- Drilling by previous explorers\* returned a number of encouraging results highlights include:

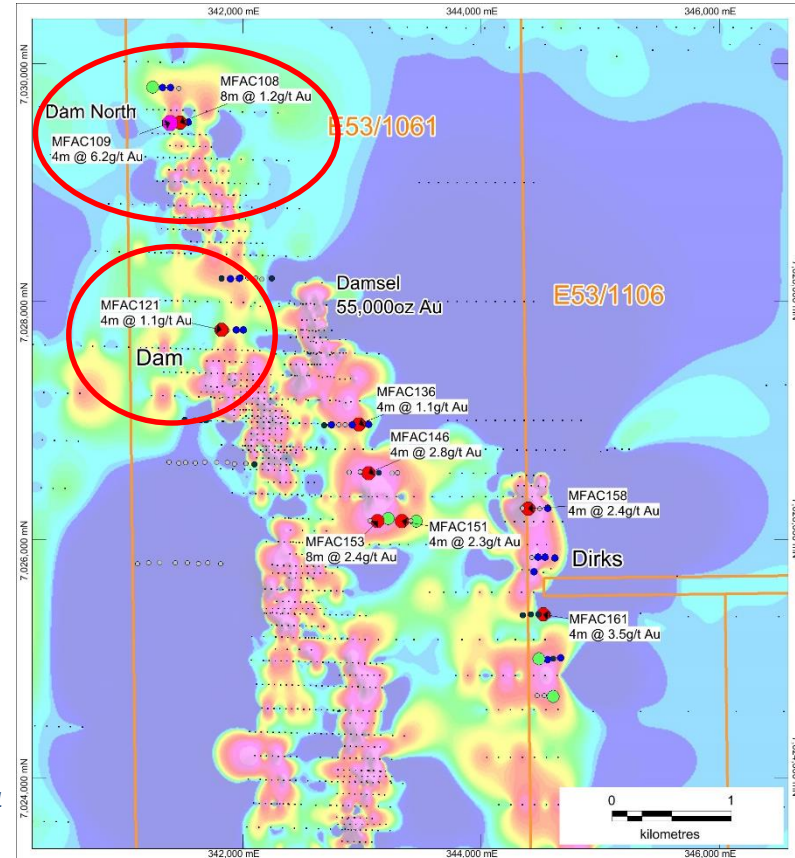
- 9 metres at 7.1 g/t Au from 76 metres
- 3 metres at 17.4 g/t Au from 30 metres
- 1 metre at 45.6 g/t Au from 70 metres
- 4 metres at 9.0 g/t Au from 26 metres
- 2 metres at 16.6 g/t Au from 22 metres
- 8 metres at 4.1 g/t Au from 36 metres

- More recently Rox's exploration^ has returned more significant results:

- 300m anomaly at Dam North
  - 4m @ 6.2 g/t Au
- 200m extension at Dam
  - 4m @ 2.8 g/t Au
- Filled in Dirks over 1km
  - 4m @ 3.5 g/t Au

\* See RXL announcement 17 February 2011

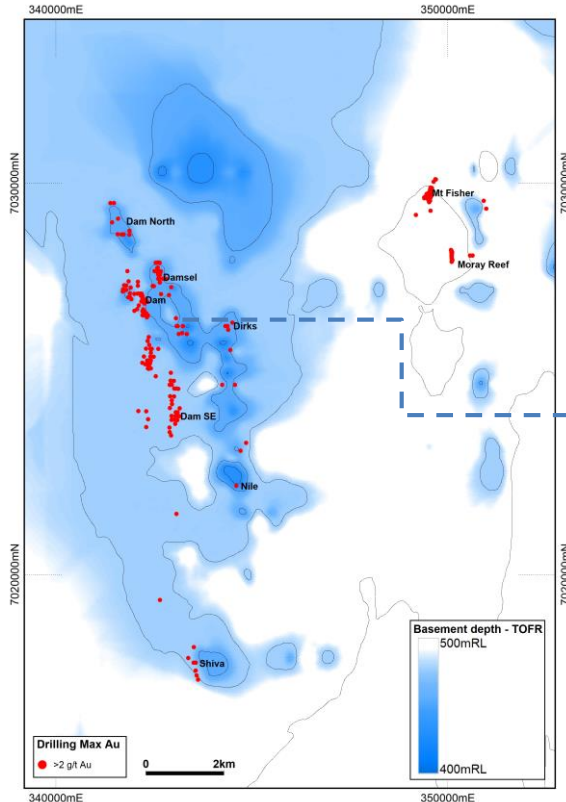
^ See RXL announcement 23 January 2018



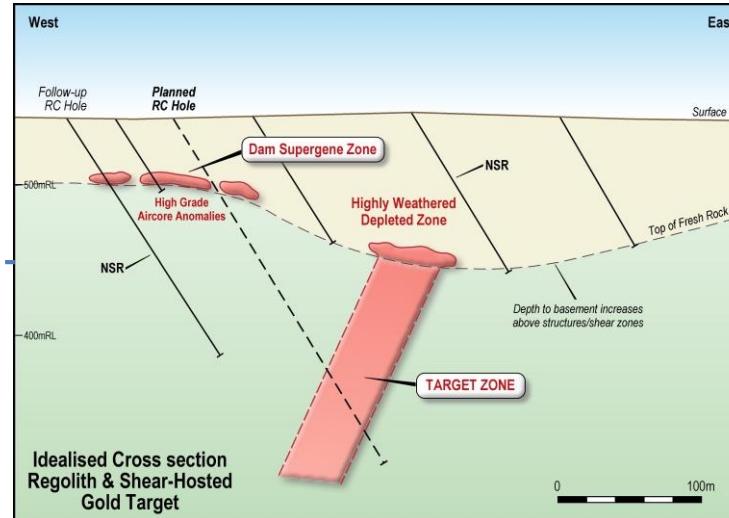


# Basement Source

## Depth to Basement and Gold Occurrences > 2g/t Au

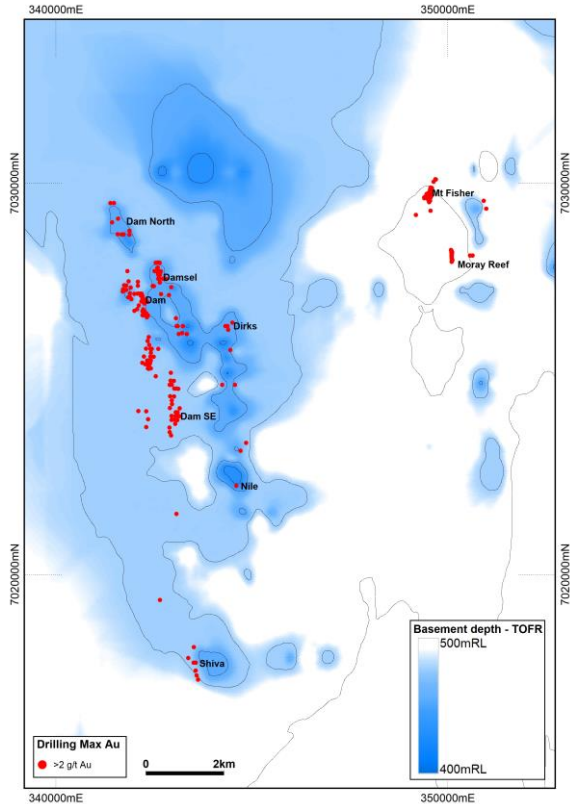


## Implications for Targeting Au Mineralisation

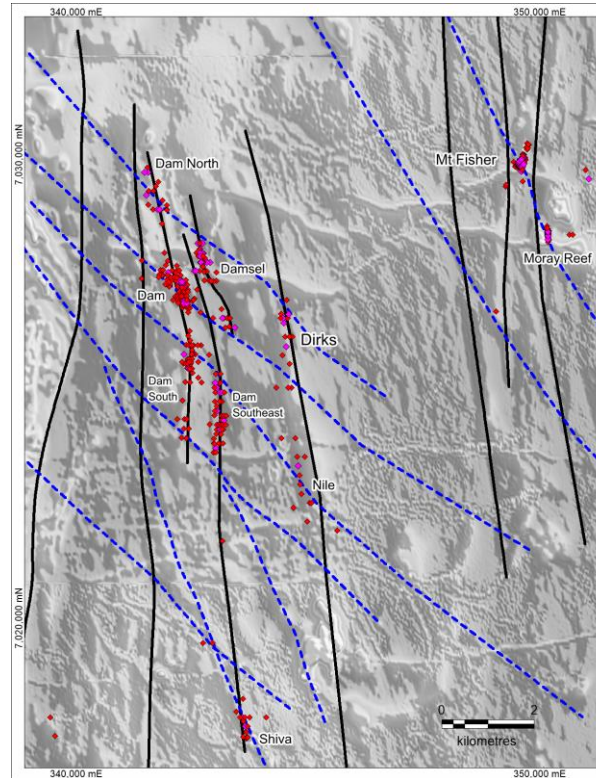


- Analogous to the Garden Well deposit
- Aircore drilling ineffective due to depletion above primary mineralization
- Drilling beneath regolith mineralisation ineffective (Au migration)
- Potential gold migration in the regolith along transitional / fresh rock interface
- Drilling beneath depressions in basement to target primary structures.

Depth to Basement and Gold Occurrences > 2g/t Au



Structure, Max Au over Magnetics

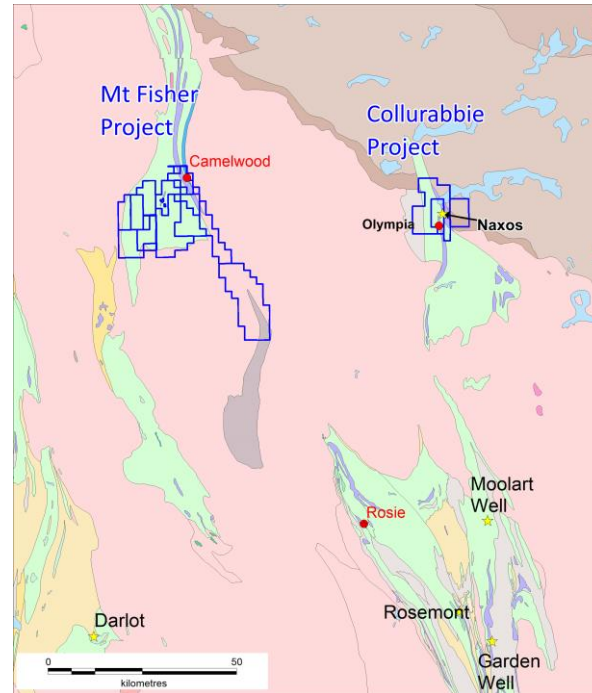


- ➊ Magnetics indicate major structures line up with basement lows
- ➋ Gold mineralisation in the Dam trend is potentially remobilized to the west of the main structural corridor
- ➌ Dirks and Damsel structural targets stand out as relatively untested
- ➍ RC Drilling to test these structures in April 2019
- ➎ Resource extension drilling (RC) also planned

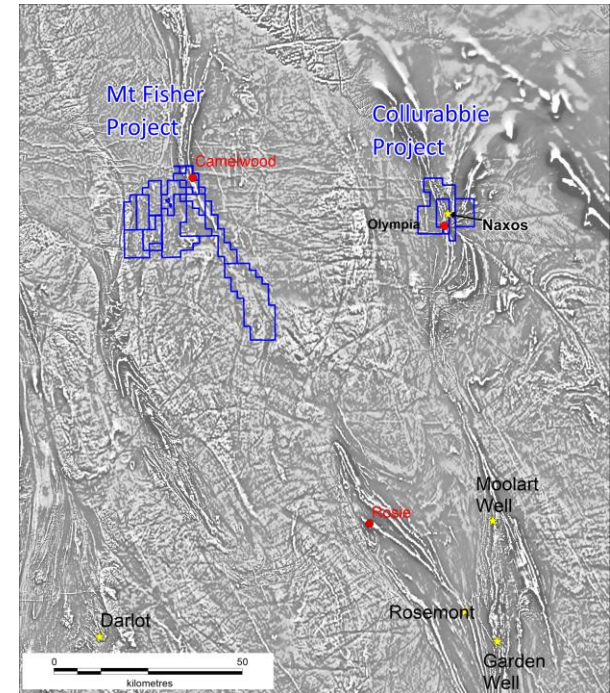
# Collurabbie Gold Potential

- ▶ Collurabbie has historically been the focus of substantial nickel exploration
- ▶ Gold mineralisation is present although exploration model is still being developed
- ▶ Along strike from Garden Well and Moolart Well and on the edge of the Yilgarn Craton
- ▶ Much of the previous drilling ineffective for gold (cover rocks or not targeting structure)
- ▶ Indications of gold in the system\*
  - ▶ 2 @ 2.4g/t Au from 60m
  - ▶ 10 @ 0.27 g/t Au from 34m

## Regional Geology



## Regional Magnetics



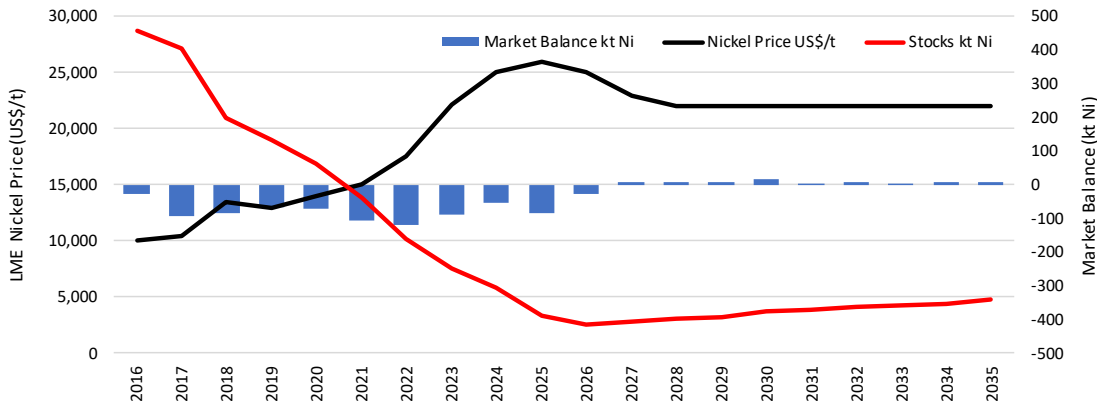
\* See RXL announcement 6 September 2017



# Nickel

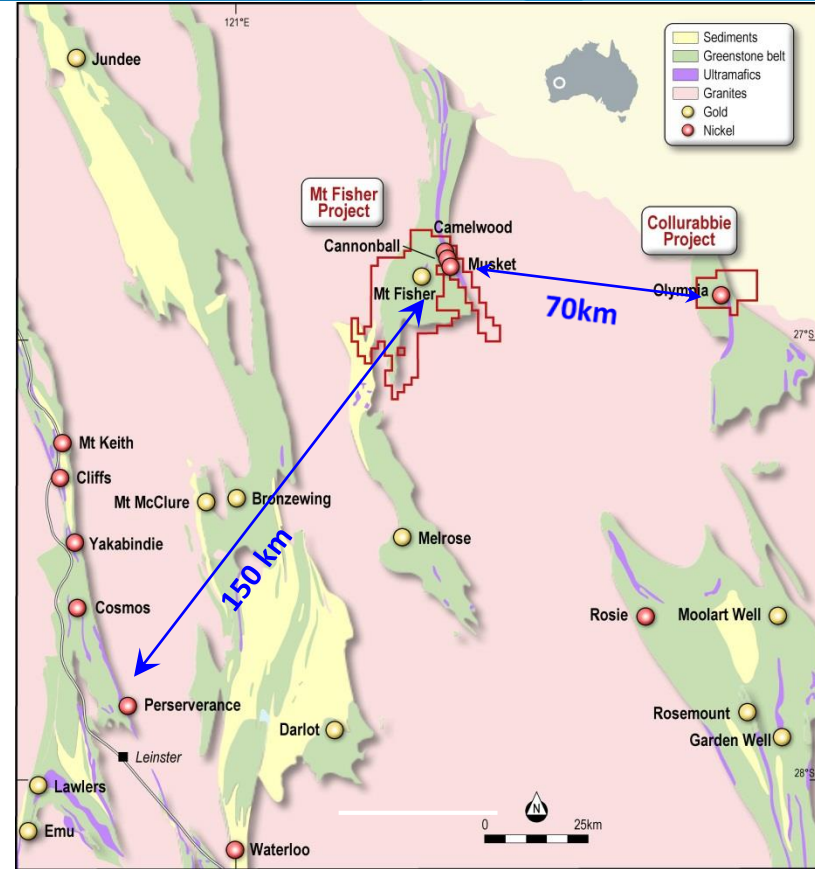
- Rox is comfortable with its nickel portfolio and awaits an uptick in pricing, noting declining global nickel stockpiles prior to committing capital for development or further detailed studies
- The Mt Fisher East Nickel Deposit was discovered by Rox's technical team and has very good potential for commercialisation
- Processing options being examined and negotiations ongoing

Market Balance and Nickel Price Forecasts



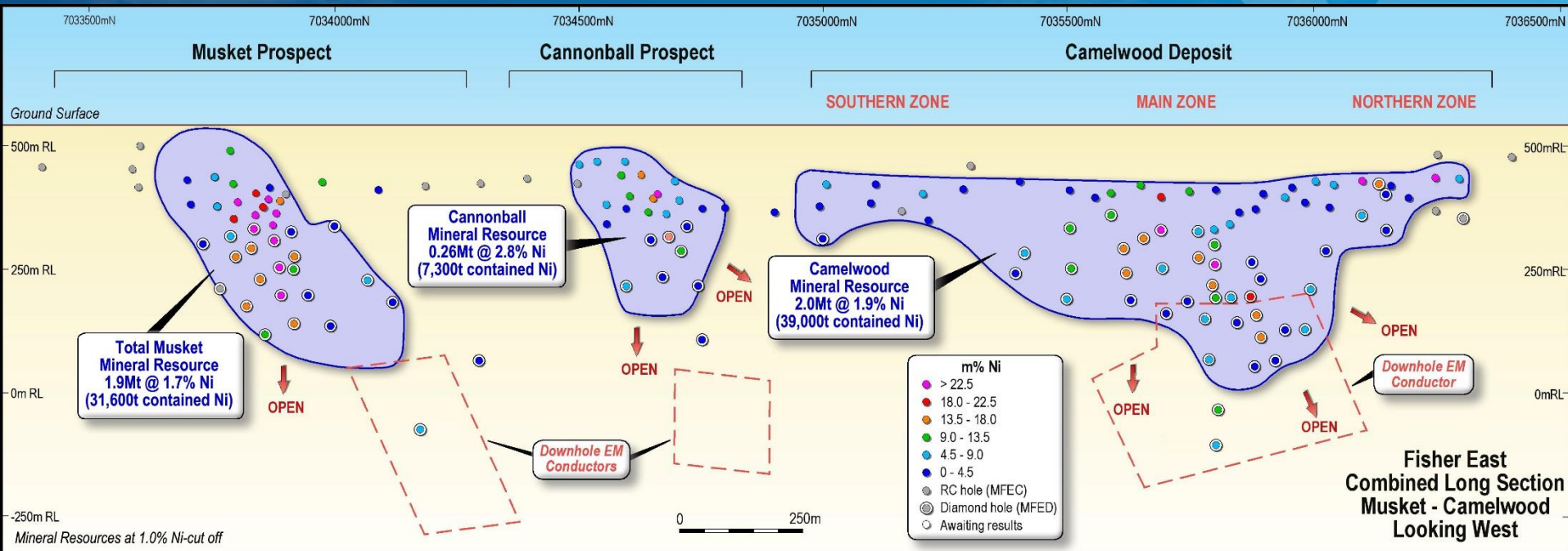


# Nickel – Rox discoveries



- Two exceptional high grade nickel sulphide projects in WA's northern goldfields
- 70km apart, 150km from established infrastructure
- Fisher East nickel a discovery made by Rox
- Nickel assets remain core to the company

# Fisher East Resources



➤ Total Mineral Resource\* of **4.1 Mt @ 1.9% Ni**, for **78,000 tonnes Ni metal**

➤ Potential to increase current resources and to identify new resources over 2km strike

\* See Appendix for Mineral Resource details

# Scoping Study Results



**Onsite  
Concentrator**

**Upfront Capital  
A\$87m**

**Free Cash Flow  
A\$146m**

**NPV  
A\$79m**

**IRR  
44%**

**C1 Cost  
US\$3.14/lb**

**AISC  
US\$3.57/lb**

**Toll Mill**

**Upfront Capital  
A\$48m**

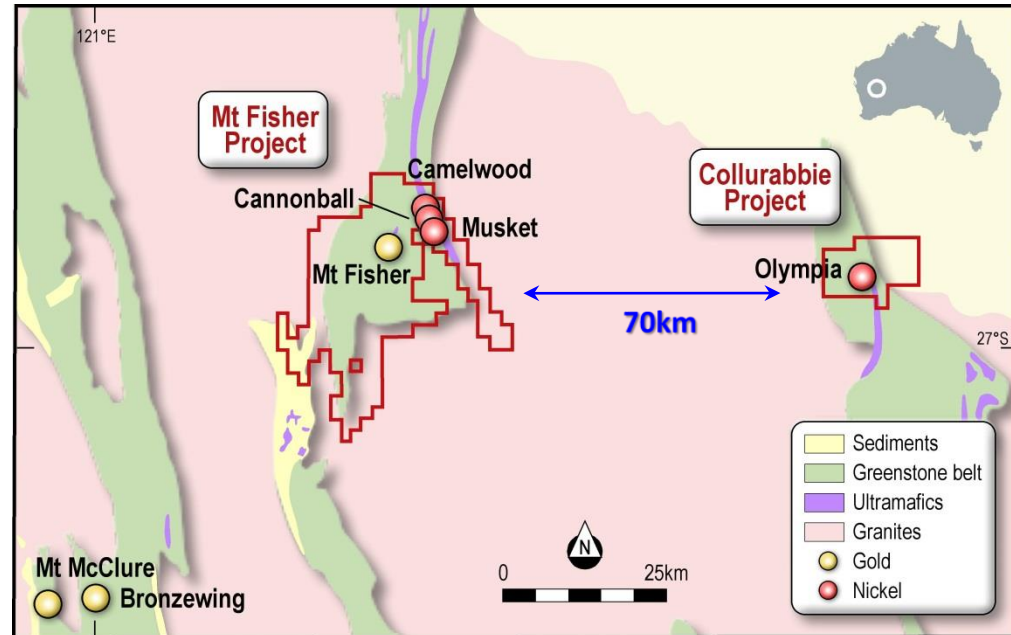
**NPV  
A\$58m**

**IRR  
55%**

*Figures at Nickel price of US\$16,500/t (US\$7.50/lb). See Appendix for Toll Mill and other source data. Please refer Scoping Study announcement dated 10 October 2018. Please note Cautionary Statements regarding Scoping Studies and the Cautionary Statement regarding Forward Looking Statement slides. Estimate is accurate to ±35%*

# Collurabbie Nickel

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



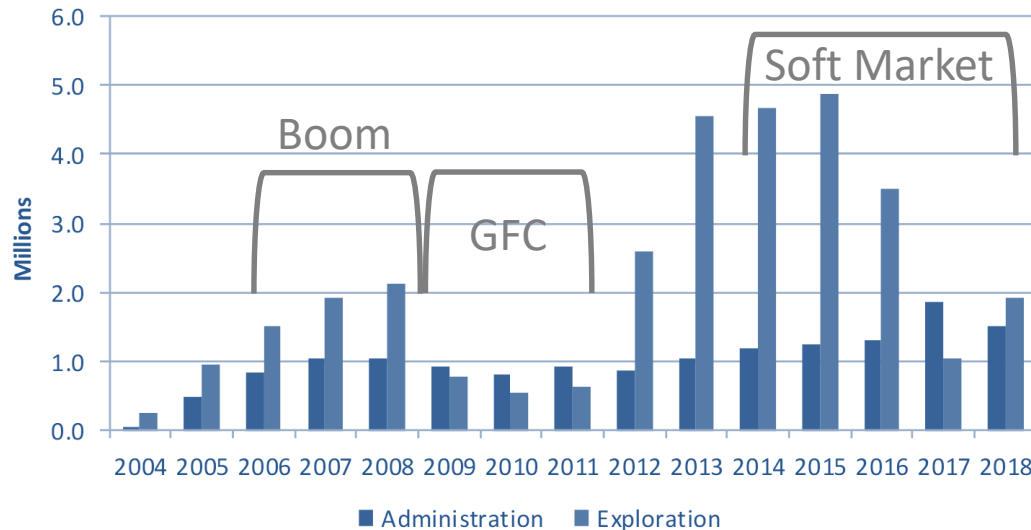
\* A\$25,000 cash + 7.5 million RXL shares (~A\$150,000). The market value of this prospect was one A\$300 million



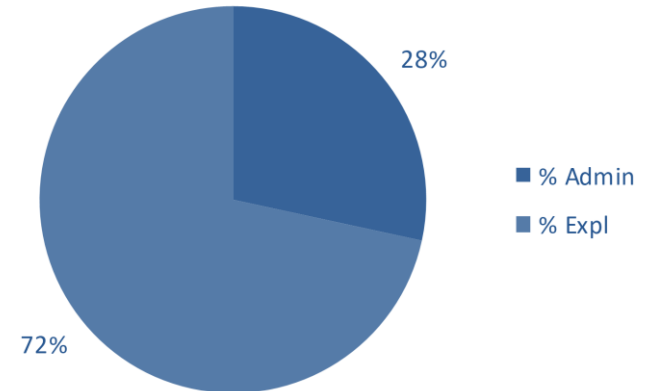
# Exploration Efficiency

- Rox is an efficient explorer and will continue to be
- ~68% of total expenditure into exploration since inception
- ~72% of total expenditure into exploration over the last 6 years (~\$20.5 million)

## Rox Expenditure by Year



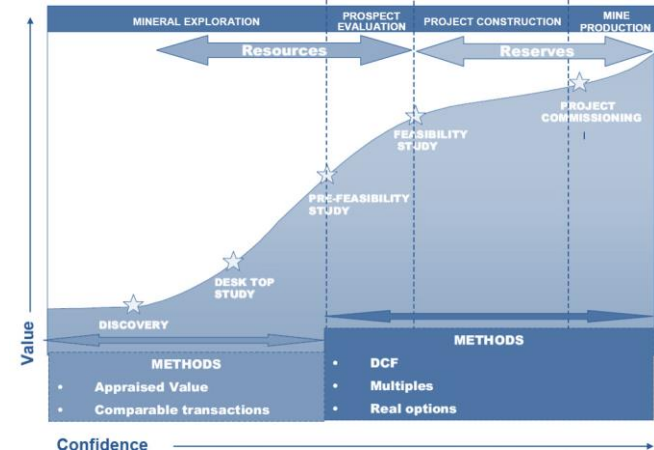
## Total Rox Expenditure Last 6 Years



# New Business & Growth



- ◆ In addition to its existing projects and organic growth pipeline Rox has reviewed over 100 projects over the past two years
- ◆ Some of these have progressed to detailed due diligence however for a variety of reasons have not progressed
- ◆ Rox seeks to acquire a project/s which will deliver a high level of **value** to the company and its shareholders
  - ◆ Focus on identifying and acquiring Gold, Silver, Copper or Zinc project/s with near-term commercialisation potential
  - ◆ Australia preferred, but also any jurisdiction with secure Mining laws and permissive community attitudes
  - ◆ Advanced exploration (i.e. mineral resource defined, or close to) through to feasibility/production stage (not grass roots)
- ◆ Rox has a strong technical team, network and financial capacity to complete the right transaction





# Thank You

**Rox Resources Limited**

**Level 1, 34 Colin Street, West Perth, WA, 6005 AUSTRALIA**

**T: (08) 9226 0044 F: (08) 9322 6254**

**E: [admin@roxresources.com.au](mailto:admin@roxresources.com.au) W: [www.roxresources.com.au](http://www.roxresources.com.au)**

# Appendix - Study Outcomes



Capital Costs	Concentrator Case	Toll Case
Mining Inventory	2.9Mt @ 1.7% Ni	2.9Mt @ 1.7% Ni
Pre-Production Capital	A\$87.0m	A\$48.0m
Sustaining Capital	A\$37.9m	A\$37.0m
Life of Mine	6.0 years	6.0 years
Processing Rate	500ktpa	500ktpa
Nickel in concentrate - LOM	44,100t	44,100t
Nickel in concentrate - Annual	7,300tpa	7,300tpa
Nickel Price	US\$7.50/lb	US\$7.50/lb
Exchange Rate (AUD:US)	0.75	0.75
Revenue	A\$678.5m	A\$630.0m
C1 Cash Costs	A\$4.19/lb (US\$3.14/lb)	A\$4.56/lb (US\$3.42/lb)
All in Sustaining Costs	A\$4.76/lb (US\$3.57/lb)	A\$5.10/lb (US\$3.83/lb)
EBITDA	A\$271.3m	A\$187.4m
Net Cash Flow (pre-tax)	<b>A\$146.5m</b>	<b>A\$102.3m</b>
Pre-tax NPV (10%)	<b>A\$79.2m</b>	<b>A\$58.2m</b>
IRR	<b>44%</b>	<b>55%</b>
Payback	2.25 years	1.8 years

See RXL announcement  
10 October 2018



# 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>2.2</b>	<b>13.5</b>	<b>43.0</b>

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

Information provided as required by section 50 of the JORC Code 2012

\*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\$13,000/t, Cu price = US\$6,300/t (as of 10 October 2018)

Ni recovery = 85%, Cu recovery = 85%

Metallurgical recoveries based on results from deposits with similar mineralogy, e.g. Savannah (83% recovery for both Ni and Cu), and Nova (88% recovery for both Ni and Cu). In general, the metallurgical recoveries of nickel and copper are similar, so the factors cancel each other out in the metal equivalent calculation. In addition, metallurgical recoveries at the Fisher East project average 88% for nickel.

It is the Company's reasonable opinion that all metals in the metal equivalent will be able to be recovered and sold, as they are at Savannah and Nova.

# Appendix – Mineral Resources



## Mt Fisher Gold, ASX:RXL 11 July 2018

Deposit	Category	Tonnes	Grade (g/tAu)	Gold (Oz)
Moray Reef	Measured	25,521	8.02	6,577
	Indicated	4,930	5.95	943
	Inferred	1,242	3.87	155
	<b>TOTAL</b>	<b>31,693</b>	<b>7.53</b>	<b>7,675</b>
Mt Fisher	Measured	125,605	3.61	14,569
	Indicated	59,533	3.63	6,948
	Inferred	40,934	3.41	4,494
	<b>TOTAL</b>	<b>226,073</b>	<b>3.58</b>	<b>26,011</b>
Damsel	Measured	23,712	2.59	1,974
	Indicated	151,464	2.27	11,060
	Inferred	591,820	2.23	42,339
	<b>TOTAL</b>	<b>766,997</b>	<b>2.25</b>	<b>55,373</b>
<b>TOTAL</b>	Measured	174,838	4.11	23,121
	Indicated	215,928	2.73	18,951
	Inferred	633,997	2.31	46,987
	<b>TOTAL</b>	<b>1,024,762</b>	<b>2.70</b>	<b>89,059</b>

0.8 g/tAu block cut-off grade.

Values may not sum due to rounding.