



# Successful Base Metals Exploration

Diggers & Dealers Presentation  
5 August 2015



ASX: RXL

# Disclaimers



## Forward-Looking Statements

*This report contains certain forward looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan", "will" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Fisher East Project.*

*The Company notes that an Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource and that the JORC Code (2012 Edition) advises that to be an Inferred Mineral Resource it is reasonable to expect that the majority of the Inferred Resources could be upgraded to Indicated Resources with continued exploration. Based on advice from relevant Competent Persons (as listed in the relevant ASX releases of 9 October 2013 and 4 September 2014) the Company has a high degree of confidence that the Inferred Mineral Resources for the Musket and Camelwood deposits will upgrade to Indicated Mineral Resources with further exploration work. At Camelwood the Inferred Mineral Resources have not been extrapolated past the last drill hole and therefore have only been estimated to the last data point. The drill hole density was only reduced once there was evidence of reducing mineralisation. At Musket the Inferred Mineral Resources have been extrapolated approximately half the nominal drill spacing beyond the last drill hole, which is a common resource estimation practice.*

*The Company believes it has a reasonable basis for making the forward-looking statements in this report, including with respect to any production targets, based on the information contained in this announcement and in particular the JORC 2012 Mineral Resource for Camelwood and Musket as at September 2014, independently estimated by Optiro Pty Ltd (ASX:RXL 9 October 2013 and 4 September 2014), together with independent determination of mining inventory, mine design and scheduling, metallurgical testwork, commodity price and exchange rate forecasts and appropriate operating cost data as compiled by CSA Global Pty Ltd from contributors to the Scoping Study. However, the production targets and forecast financial information are based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions.*

## Competent Person Statements

*The information in this report that relates to Exploration Results for the Mt Fisher, Reward and Bonya Projects is based on, and fairly represents information and supporting documentation compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, MAICD, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Mulholland has sufficient experience which is relevant to the style of mineralisation and type of deposit 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". Mr Mulholland is a full time employee and Managing Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to nickel Mineral Resources for the Mt Fisher project was reported to the ASX on 3 October 2013 and 4 September 2014. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 3 October 2013 and 4 September 2014, and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.*

*The information in this report that relates to previous Exploration Results and Mineral Resources for the Reward Zinc-Lead and Bonya Copper projects and for the gold Mineral Resource defined at Mt Fisher, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

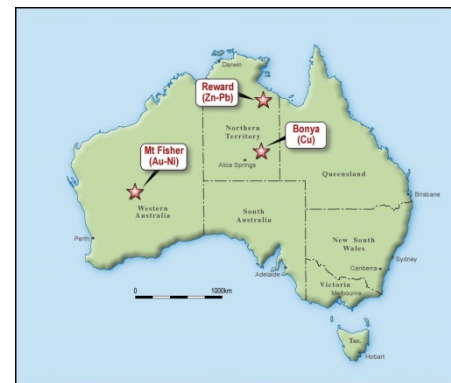
## Cautionary Statements

*The Company advises the Scoping Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from Indicated and Inferred Mineral Resources. The Scoping Study referred to in this announcement is based on low level technical and economic assessments which are insufficient to support Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. 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 estimated capital and operating costs, or the production target itself will be realised.*

# Introducing Rox



**Rox Resources**  
ASX : RXL  
Market Cap ~A\$21M



Ni

Zn

Cu

**Fisher East Nickel, WA**

3.6Mt @ 2.0% Ni\*

Scoping Study complete

PFS underway

**Reward Zinc, NT**

Exploration Target at Teena

60-80Mt @ 10-12% Zn+Pb\*\*

Option/JV with Teck

**Bonya Copper, NT**

High grade copper

Discovery

e.g. 38m @ 4.4% Cu

\* JORC Resource expected to increase (see slide 9 for details)

\*\* 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.



# Last Year's Scorecard



**Fisher East (FE) resource update**



Musket resource added, doubled total resource to 72,100 t Ni

**Look at FE scope for development**



Scoping Study completed, PFS now underway

**Make further discoveries at FE**



Cannonball drilled (5.3m @ 2.7% Ni)  
Sabre discovered (16m @ 1.3% Ni)

**Add Potential at Teena**



Further high grade drill hits, incl. 14.7m @ 13.3% Zn+Pb

**Bonya initial drilling**



Discovery of high grade copper sulphides, incl. 38m @ 4.4% Cu

# Fisher East Location



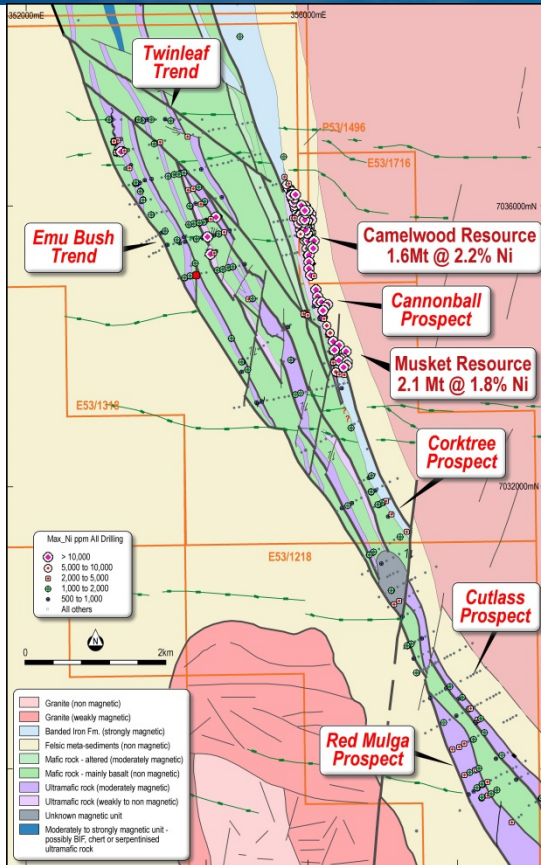
- New province for nickel sulphide deposits – discovered by Rox – 150km NE of Leinster (BHP Nickel West)
- Current Resource\* of **3.6 Mt @ 2.0% Ni** for 72,100 tonnes Ni
- Scoping Study completed
- PFS underway
- Continued exploration success over 25km of strike – four discoveries so far, and more to come

\* JORC Resource (see slide 9 for details)





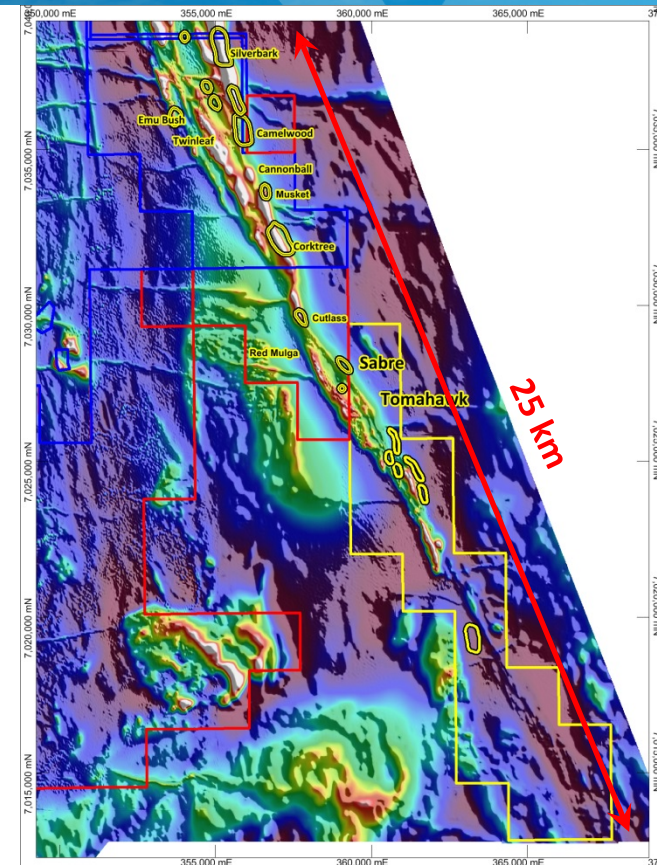
# Four Nickel Discoveries



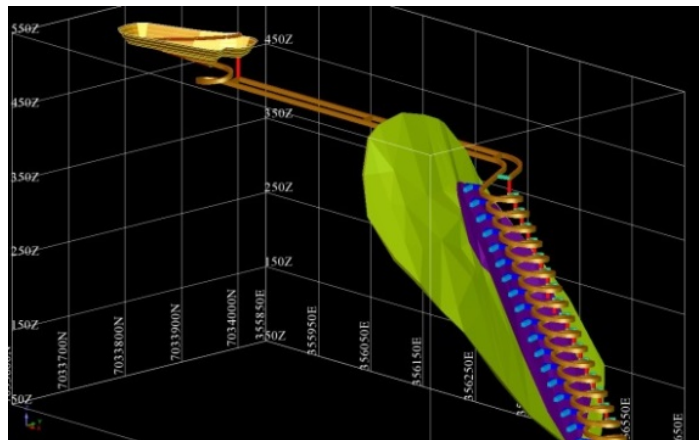
- **Camelwood**  
 1.6 Mt @ 2.2% Ni <sup>1,2</sup>
- **Musket**  
 2.1 Mt @ 1.8% Ni <sup>1</sup>
- **Cannonball**  
 Resource to come in 2015
- **Sabre**  
 Recent discovery
- **Archaean nickel sulphide deposits typically occur in clusters with many deposits**
- **Potential to substantially increase resources**

<sup>1</sup> JORC Resource (see slide 9 for details)

<sup>2</sup> The Financial assistance of the WA Government EIS is gratefully acknowledged in the discovery of Camelwood



# Scoping Study



- Conducted by independent international consultants, **CSA Global Pty Ltd**
- Examined two options:
  - Toll milling – truck ore to nearby plant (200km)
  - Build a plant – truck concentrate for sale
- Standard industry underground mining techniques
- Produces a clean, saleable concentrate with good specs (12-14% Ni, MgO <4%, Fe:MgO >6, low As (<100ppm), 80-95% recoveries)
- Cash operating costs similar to other nickel sulphide operators in the Kambalda district
- Relatively low capital costs
- No environmental or other issues
- Opportunities to optimise various aspects

# Scoping Study Metrics



\* Resource at 1.5% cut-off is 2.0Mt @ 2.6% Ni

\*\* Capex for 350,000 tpa plant, using 6/10ths rule on Scoping Study estimate of \$60M for new 500,000 tpa plant, is \$48M

## Assumptions

Exchange Rate of A\$:US\$ = 0.80

Metallurgical Recovery of 88%

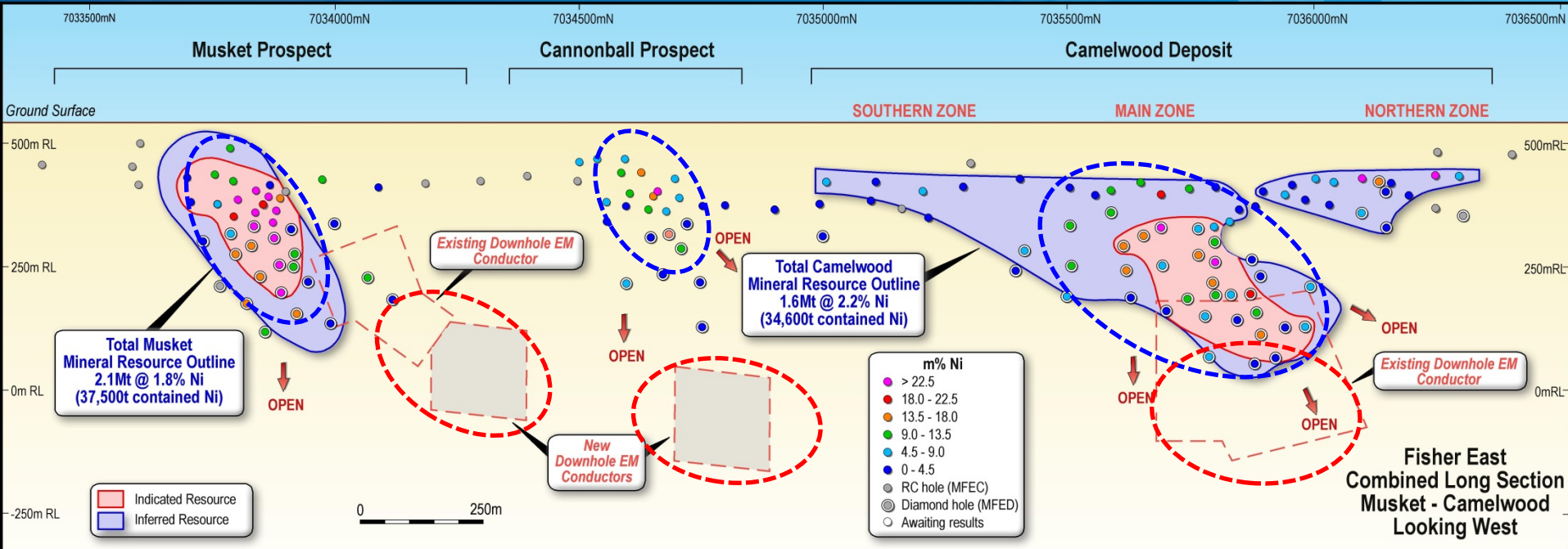
Ni Payability, Base Case 70%, Toll Case 65%

Cash Flow before tax, sustaining capital and financing costs (T & F)

Item	Base Case	Toll Case
Production Rate	350,000 tpa	350,000 tpa
Mid-range Ni price (forecast)	US\$8/lb A\$10/lb	US\$8/lb A\$10/lb
ROM Grade*	2.6% Ni	2.6% Ni
Ni in Concentrate	8,000 t	8,000 t
Payable Ni Metal	5,600 t	5,200 t
Life of Mine	3 years	3 years
Upfront Capital Cost	A\$73.0M**	A\$20.8M
Operating Cost	A\$207/t	A\$217/t
Payable value of ROM Ore	A\$353/t	A\$328/t
Gross Margin	A\$146/t	A\$111/t
<b>Yearly Cash Flow (Before T &amp; F)</b>	<b>A\$51.1 M pa</b>	<b>A\$38.9 M pa</b>
Cash Cost/lb Ni in Concentrate	A\$4.11/lb	A\$4.31/lb



# Long Section



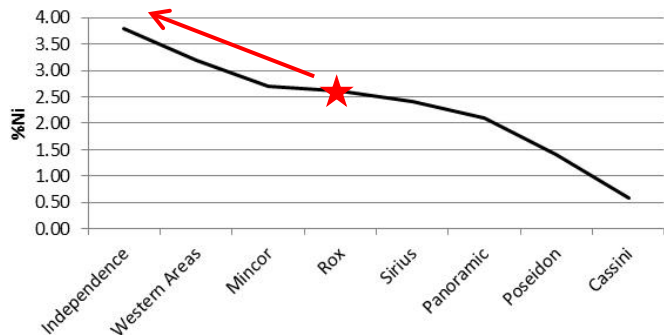
- Open at depth and untested downhole EM conductors
- Three deposits, still being defined

**72,100+ tonnes contained Ni**

Camelwood Mineral Resource: Indicated 0.6 Mt @ 2.4% Ni, Inferred 1.0 Mt @ 2.1% Ni, Total 1.6 Mt @ 2.2% Ni  
Musket Mineral Resource: Indicated 1.2 Mt @ 2.0% Ni, Inferred 0.9 Mt @ 1.5% Ni, Total 2.1 Mt @ 1.8% Ni

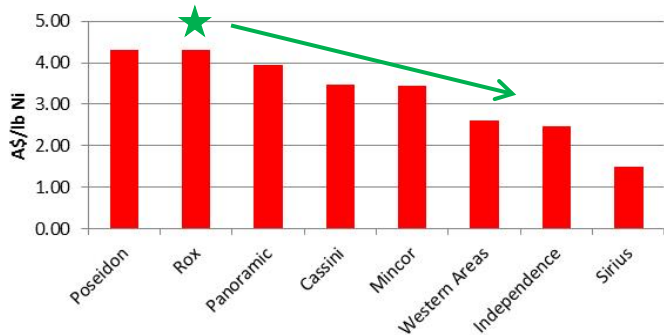
# Peer Comparison

### Reserve Grade %Ni

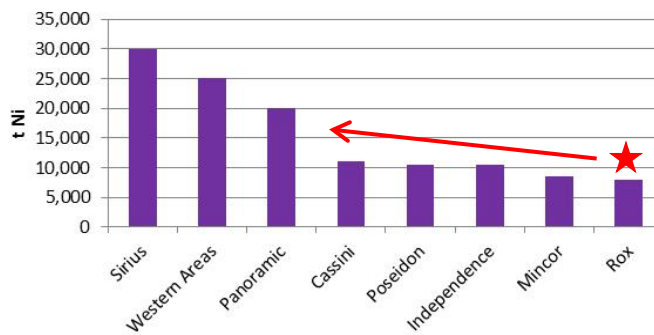


- Rox sits in middle of peer group for Grade
- Increased Mining Inventory (Resource) will enable:
  - Higher annual production,
  - Potentially higher mined grades, and therefore
  - Lower cash costs
- Overall Rox will sit comfortably amongst peers

### Cash Cost/lb Ni

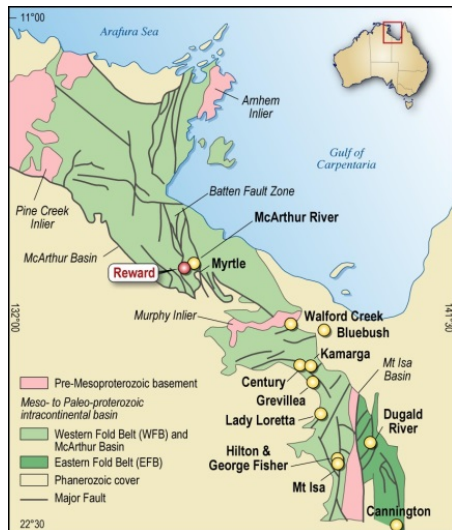


### Annual Production tNi



\* Peer group data from various applicable recent ASX releases

# Reward Zinc Project



- Owned by Rox (49%) and Teck Resources (51%)
- Teck earning-in to 70% by funding \$15m (\$10.6m spent)
- Excellent infrastructure including bitumen road, gas pipeline, major airport, ship loader, port



# Teena Drilling

26.4m @ 13.3% Zn+Pb

200m

20.1m @ 15.0% Zn+Pb

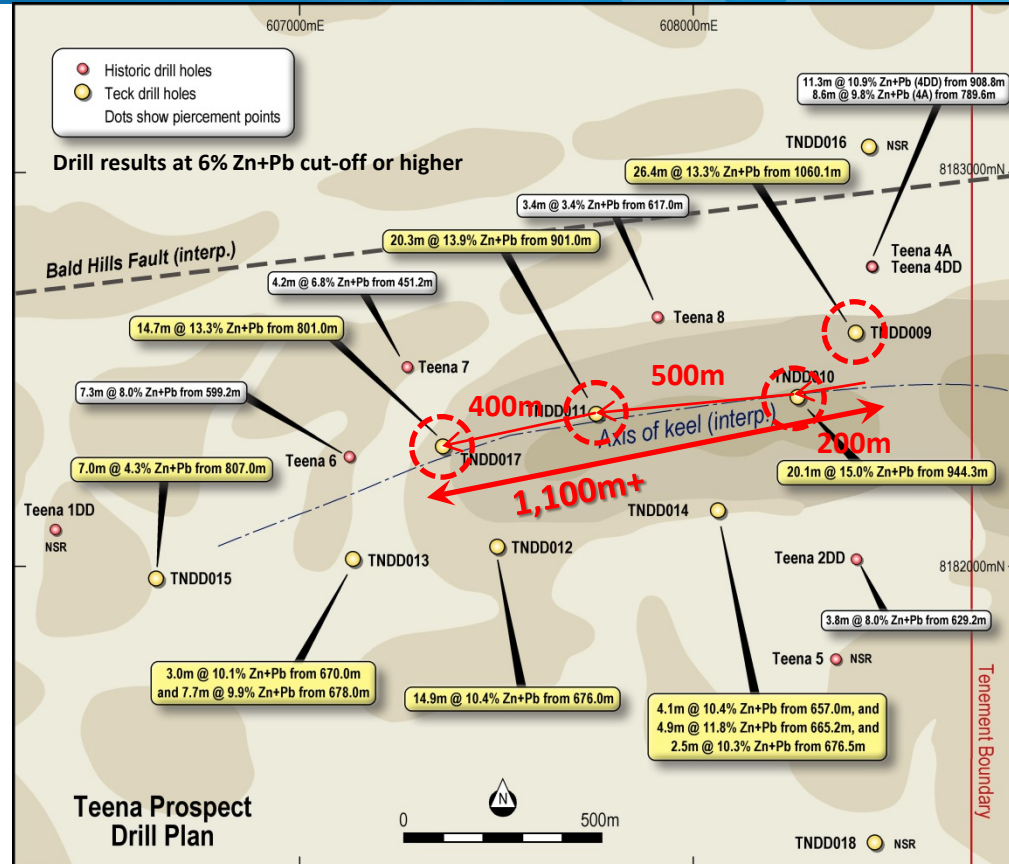
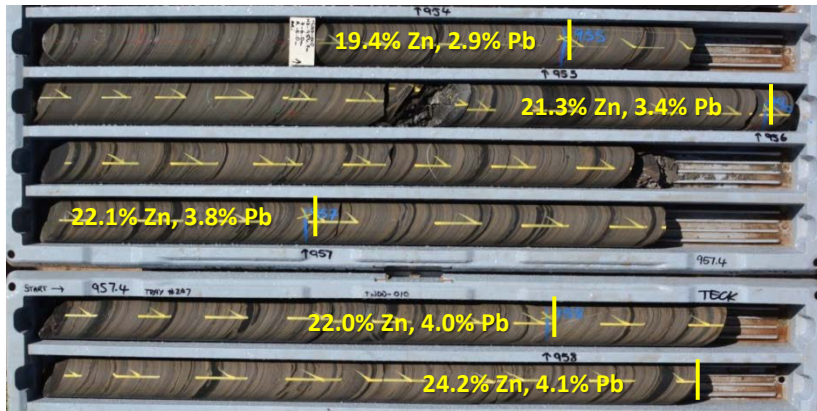
500m

20.3m @ 13.9% Zn+Pb

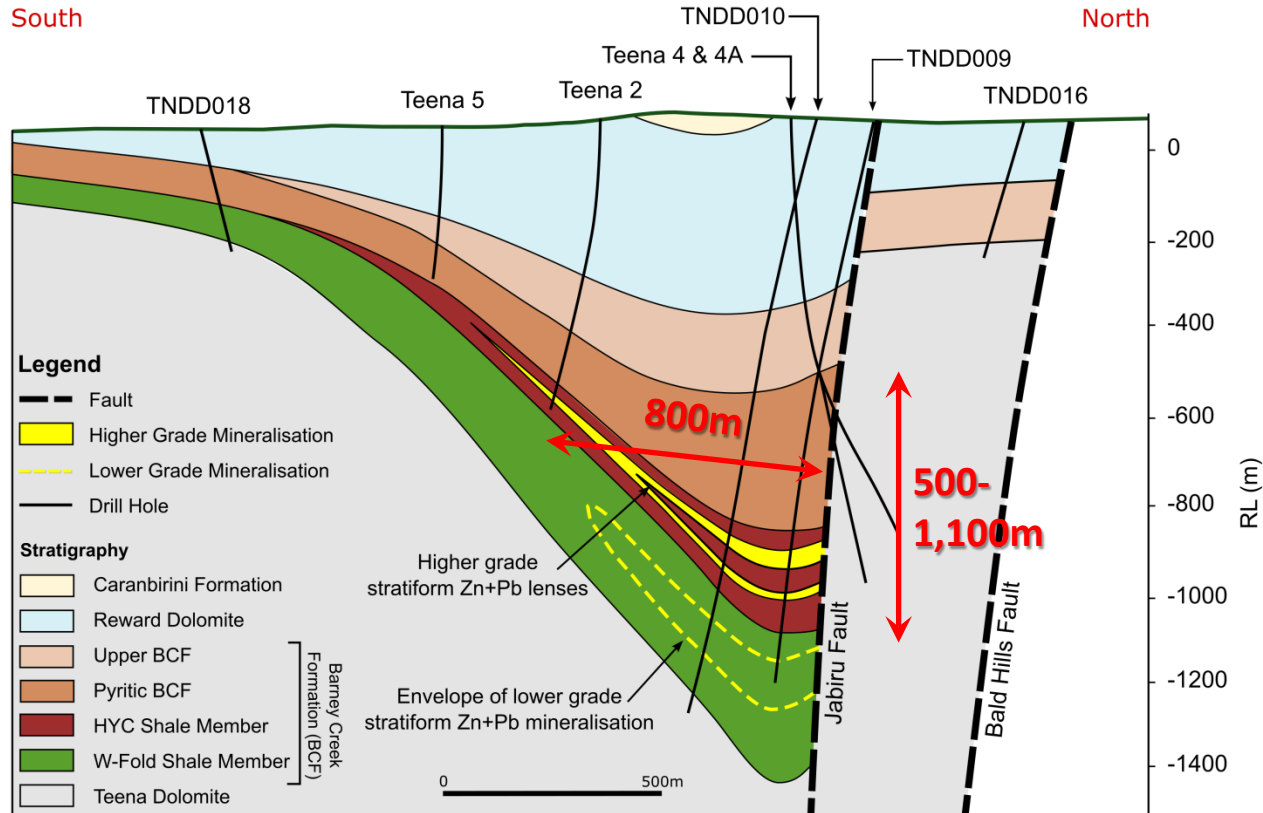
400m

14.7m @ 13.3% Zn+Pb

1,100m+  
of HG



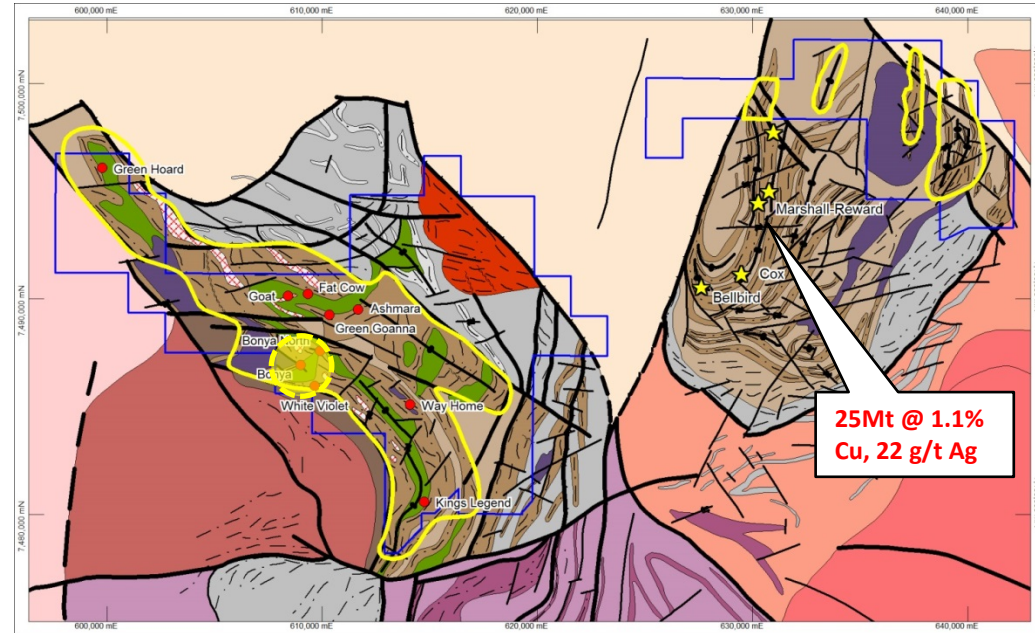
# Teena Cross Section



- Large stratiform mineralised system; Overall >1.9km strike x 800m wide x 250m thick; plunging east
- 500-1,100m depth
- High Zn:Pb ratio = 6.5:1
- Exploration Target **60 - 80Mt @ 10 - 12% Zn+Pb\*** (6-10 Mt, 13-22 Blb contained zinc-lead)

\* This Exploration Target is conceptual in nature, but 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.

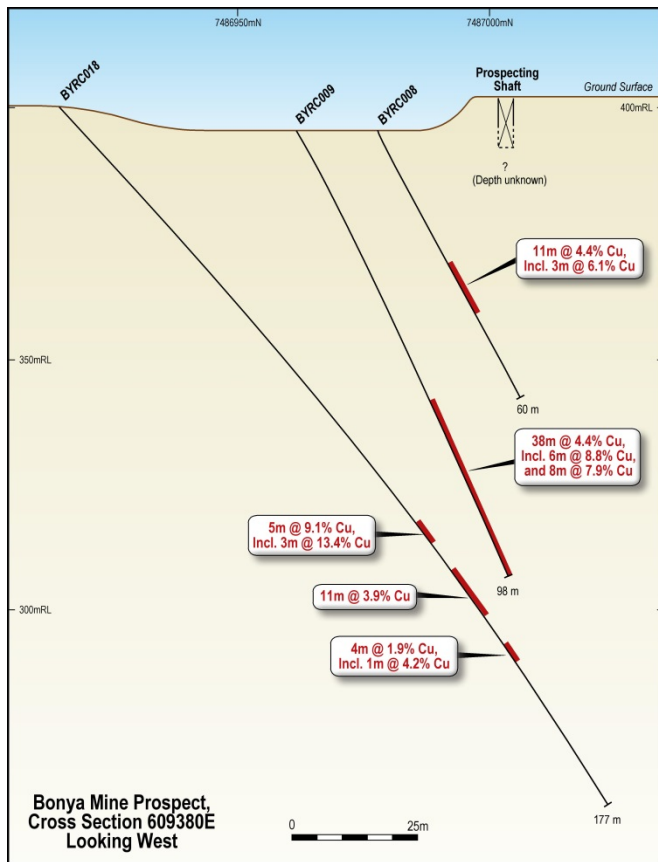
# Bonya Copper Project



- ◆ New high grade copper sulphide discovery
- ◆ Multiple drill targets ready to be tested
- ◆ Rox 51% and earning to 70% for \$1 million (by Dec 2016)



# Bonya Mine Prospect



- Copper sulphide intercepts
- **11m @ 4.4% Cu, incl. 3m @ 6.1% Cu**
- **38m @ 4.4% Cu, incl. 6m @ 8.8% Cu and 8m @ 7.9% Cu**
- **5m @ 9.1% Cu, incl. 3m @ 13.4% Cu and 11m @ 3.9% Cu**
- Open at depth
- Only first prospect drilled



# Exploration & Development Program



Q3 2015

Q4 2015

Q1 2016

Q2 2016

## Mt Fisher

Aircore Drilling

Resource Update

Pre-Feasibility Study

Resource Extension Drilling

Resource Infill Drilling

Feasibility Study

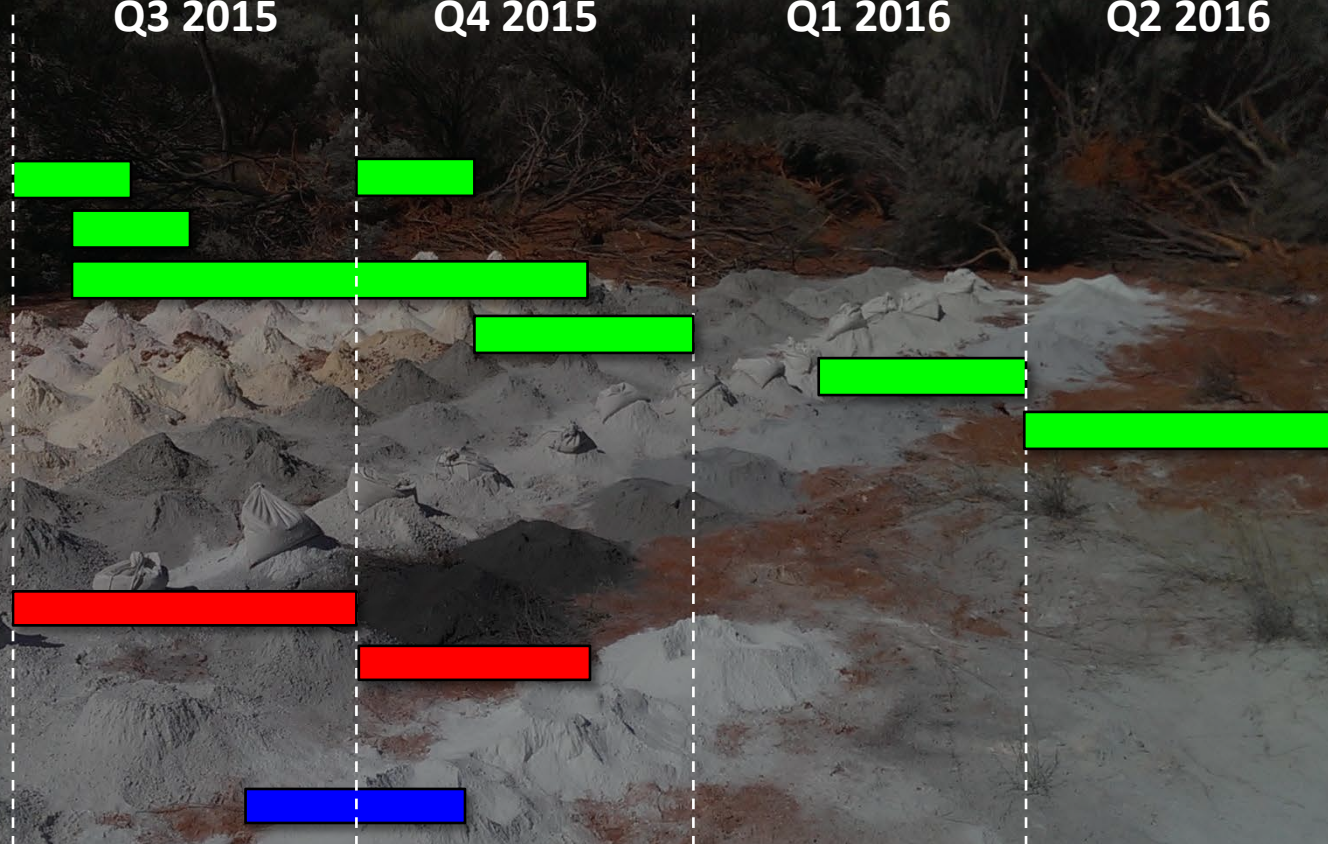
## Reward (Teena)

Drilling Program & Geophys

Assays

## Bonya

RC Drilling





# Company Snapshot



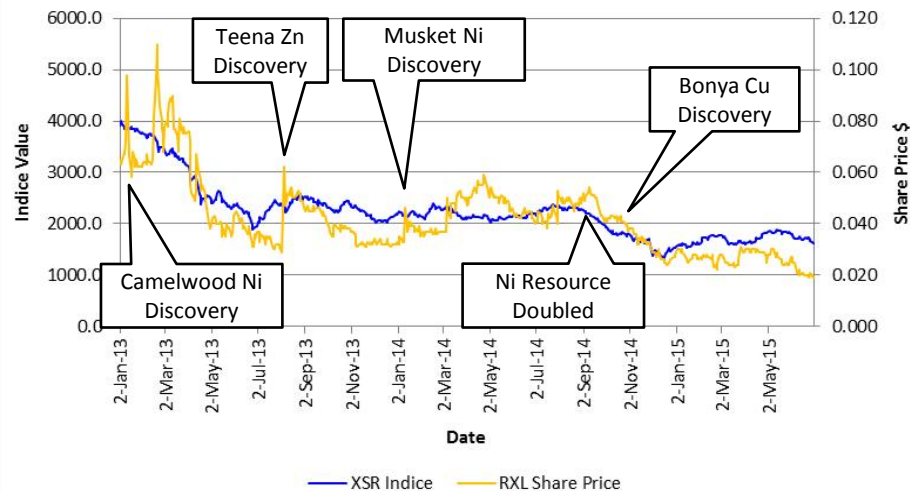
## Rox Capital Structure (31 July 2015)

ASX Code:	RXL
Issued Shares:	1,046 m
Unlisted Options:	45.3 m
Market Cap:	\$21 m (at 2.0c)
Cash:	\$3.7 m - \$2.4 m = \$1.3 m (30 June)

## Experienced Board & Management

<b>Jeff Gresham</b> Chairman (Non-Exec)	Geologist: WMC, Wiluna Mines, Homestake
<b>Ian Mulholland</b> Managing Director	Geologist: WMC, Esso, Otter, Archaean Gold, Summit, Anaconda Nickel
<b>Brett Dickson</b> Finance Director	Accountant: Archaean Gold, Vulcan Resources
<b>Stephen Dennis</b> Non-Exec Director	Legal/Commercial: CBH, Anaconda Nickel, MIM

## Small Resources XSR Index vs. RXL Share Price



## Major Shareholders (31 July 2015)

Drake Private Investments	3.8%
Rox Directors	2.3%
<b>Top 20</b>	<b>25.0%</b>
<b>Number of Shareholders</b>	<b>3,700</b>



# Successful



- **In last 2 years – 4 new nickel sulphide deposits, 1 large zinc deposit, and a new copper discovery**
- **Fisher East is a new nickel sulphide province – growing in size and moving towards development**
- **Teena is a significant new zinc discovery – in JV with a major (Teck)**
- **Bonya is a new high grade copper discovery – more to be found**

# Thank You

**Rox Resources Limited**

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