

# Successful Base Metals Exploration

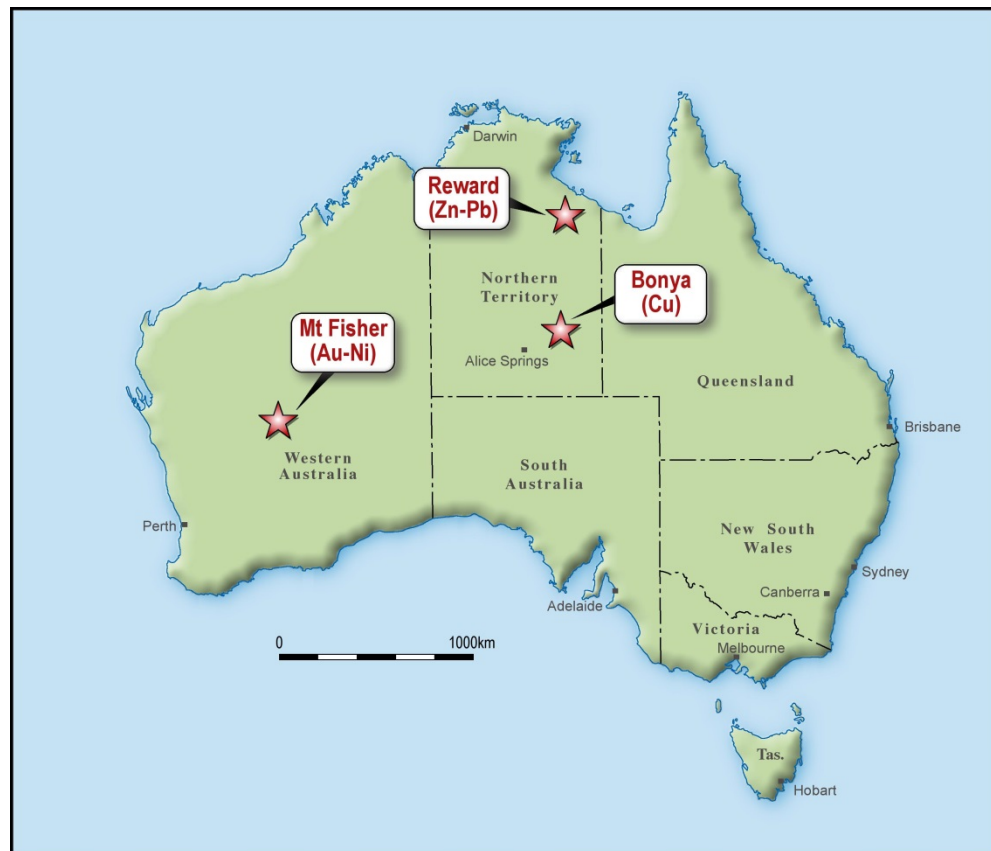


**AGM Presentation**  
**25 November 2015**



# Who is Rox?

- **Fisher East Nickel:** Pathway to short term nickel sulphide production in WA
- **Reward Zinc:** New potentially large zinc discovery
- **Bonya Copper:** Early stage exploration - strong potential
- **Strong leverage to rising base metal prices:** Nickel, Zinc, Copper





# Research Endorsements



 <b>Patersons</b>	Rob Brierley	28 Oct 2015	Speculative Buy
	“...continues to steadfastly pursue the unlocking of value from its projects and we admire this approach”		
 <b>Fat Prophets</b>	David Lennox	7 Oct 2015	Speculative Buy
	“We reiterate our buy recommendation for those members with no exposure”		
 <b>Mine Life</b>	Gavin Wendt	30 Sep 2015	
	“A well-managed explorer.....We retain our positive outlook”		
 <b>Bell Potter</b>	Peter Arden	29 Sep 2015	Speculative Buy
	“Valuation of 4.5 cents per share”		



# Explorer of the Year



- Recently Rox was awarded Australian Mining Prospects Awards **Explorer of the Year**
- In recognition of Rox's multifaceted exploration success in discovering nickel at Fisher East, copper at Bonya, and our involvement in the Teena zinc exploration venture.





# Fisher East – Nickel



- Current Mineral Resource\*  
~3.6 Mt @ 2.0% Ni, for 72,100 tonnes contained Ni
- Further discoveries (e.g. Cannonball, Sabre and Horatio) will add to resource base
- Multiple exploration targets - potential for more discoveries
- Scoping Study completed, PFS underway

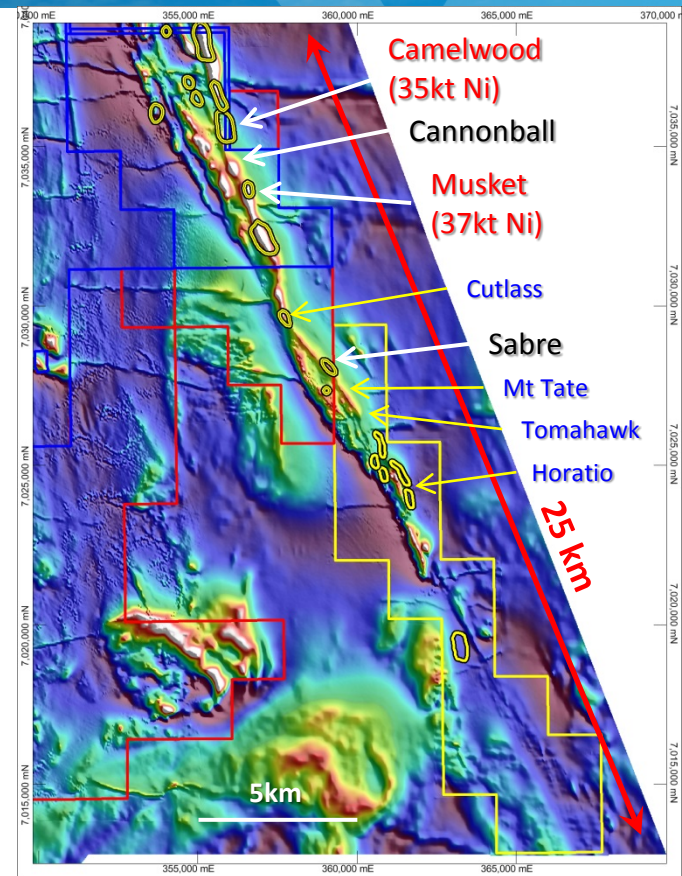


\* Camelwood + Musket Mineral Resource: Indicated 1.8Mt @ 2.1% Ni, Inferred 1.9Mt @ 1.8% Ni, Total 3.6Mt @ 2.0% Ni.

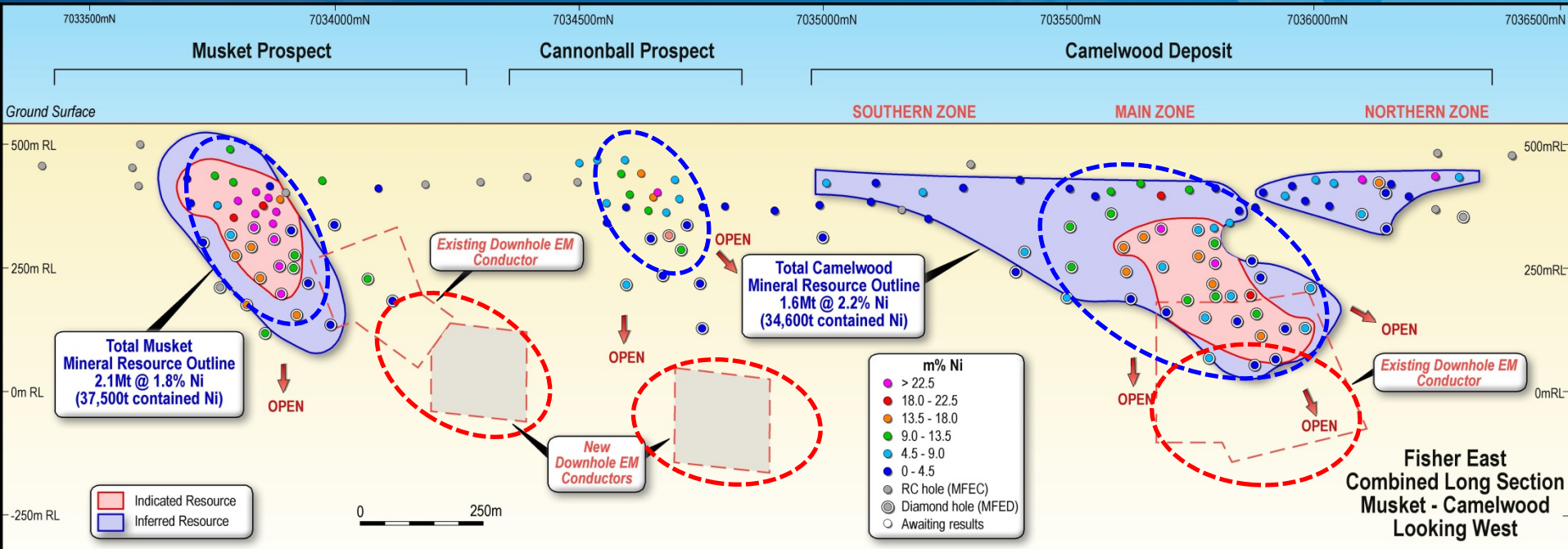
# Mt Fisher Location



- Mt Fisher Greenstone Belt
- 150km north-east of Leinster (BHP Nickel West)
- New province for nickel sulphide deposits – discovered by Rox
- Four deposits discovered so far
- Two resources, with more to come
- More EM and geochemical targets still to test over 25km of strike



# Long Section



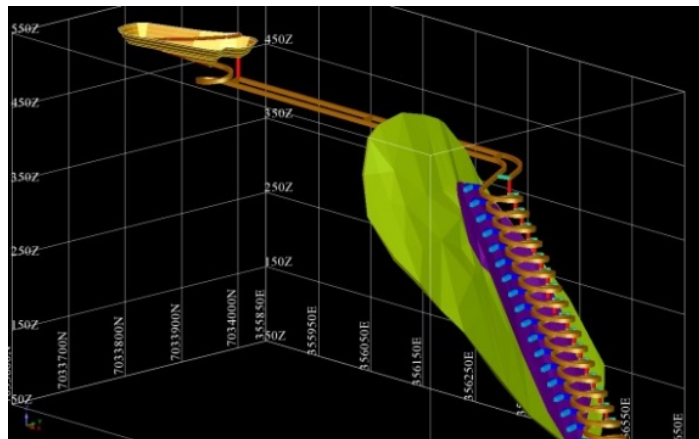
Ultimate size of these deposits is unknown as they are open at depth and still have untested downhole EM conductors

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

**Resource Upgrade Due Shortly**



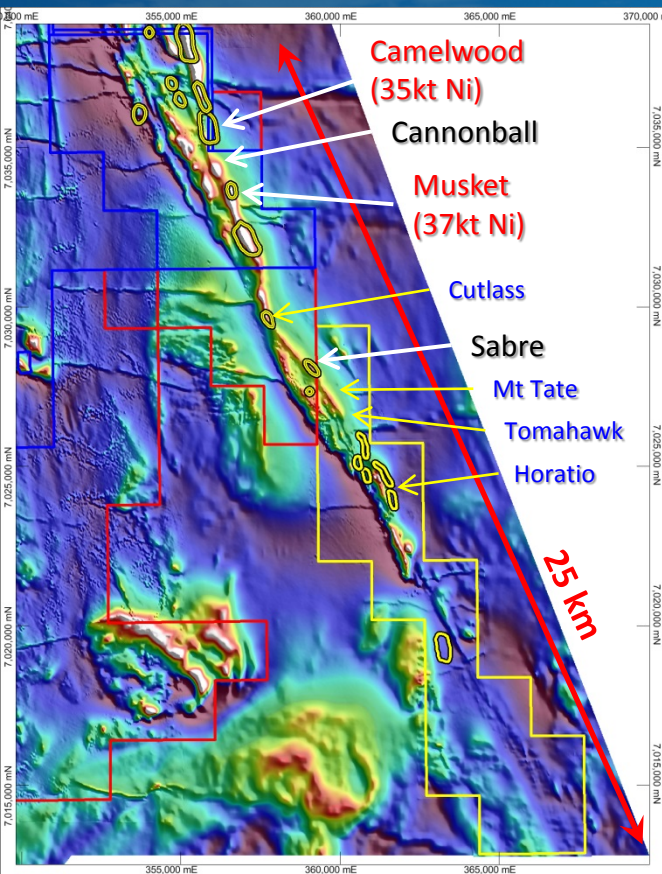
# Scoping Study



- 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



# Exploration Potential



- Discovery Cost ~4.8 cents/lb (cf. Sirius 4.0 cents/lb)
- Drill targets defined at Cutlass, Sabre, Mt Tate, Tomahawk and Horatio
- Sabre discovered in March 2015 – more drilling required before resource status
- RC drilling program planned to test other targets
- Fresh Ni sulphides intersected in aircore at Mt Tate – high priority target
- Persistence pays – detailed aircore and geophysics
- Kambalda-style deposits occur in clusters with many deposits
- 25km of strike – more untested potential
- Short term aim is to at least double or triple known resources





- 10

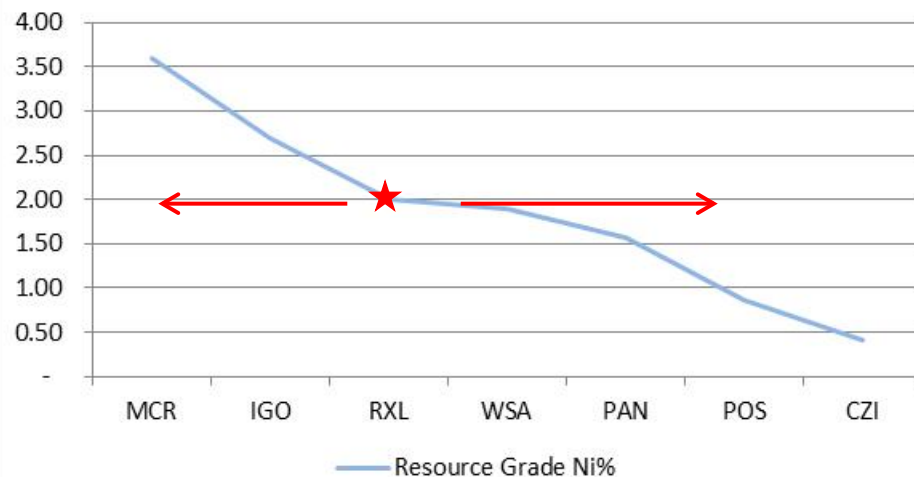
# Resource Comparisons

## Nickel Resources

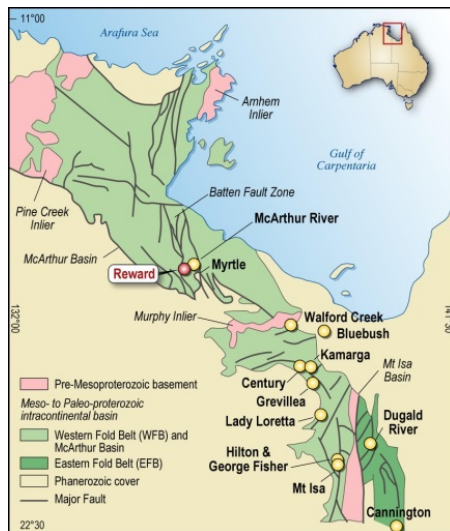


- Rox resource grade is middle of group
- Rox resource inventory has potential to grow
- Expect larger resource inventory at similar grade

## Nickel Resources



# Reward Zinc Project



- Owned by Rox (49%) and Teck Resources (51%)
- Teck earning-in to 70% by funding \$15m (\$12.4m spent)
- Excellent infrastructure including bitumen road, gas pipeline, major airport, ship loader, port



# Teena Drilling

**38.8m @ 16.9% Zn+Pb**

200m

**26.4m @ 13.3% Zn+Pb**

200m

**20.1m @ 15.0% Zn+Pb**

300m

**35.4m @ 13.2% Zn+Pb**

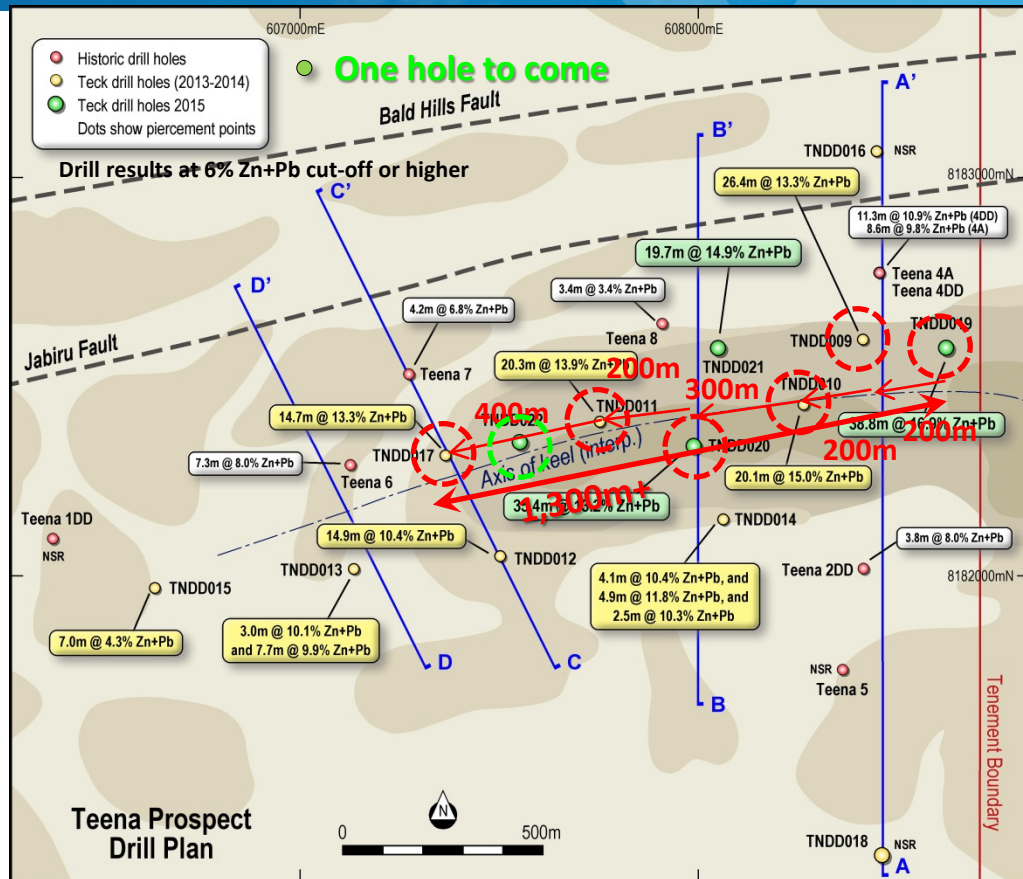
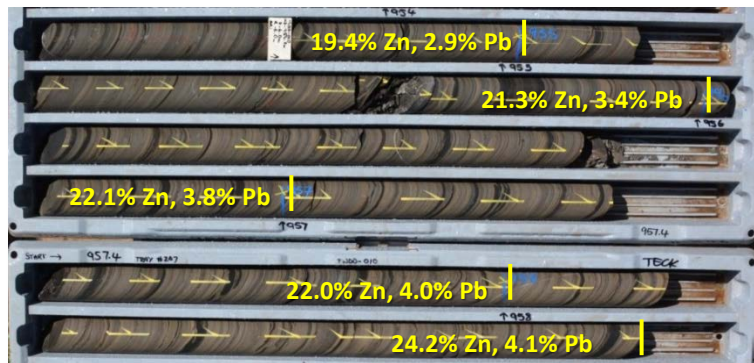
200m

**20.3m @ 13.9% Zn+Pb**

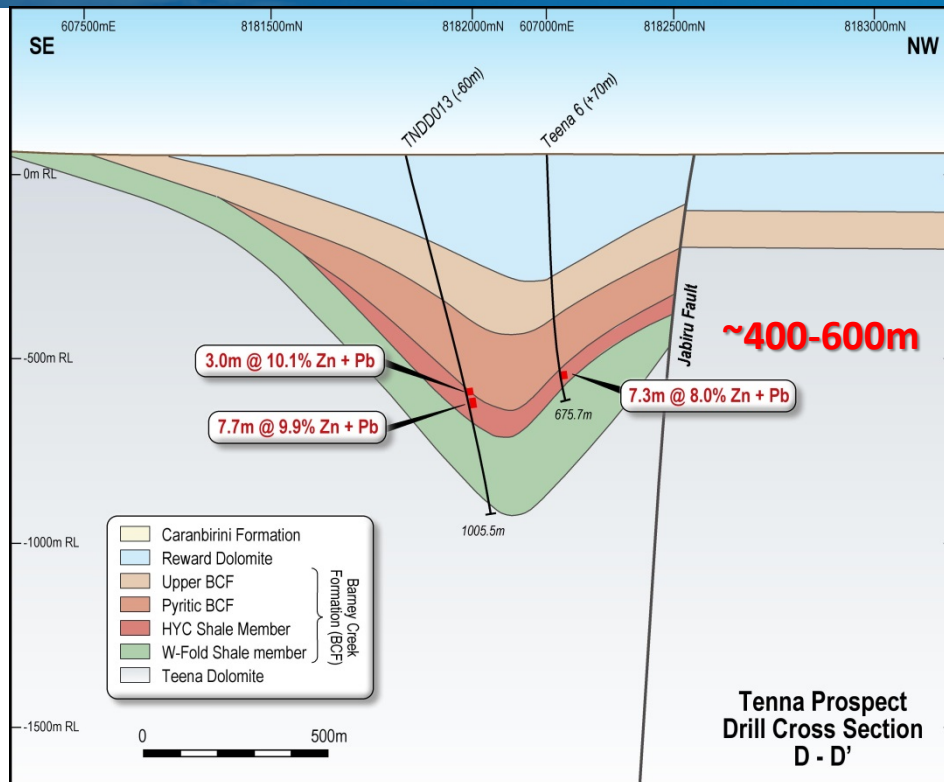
400m

**14.7m @ 13.3% Zn+Pb**

**1,300m+  
 of HG**



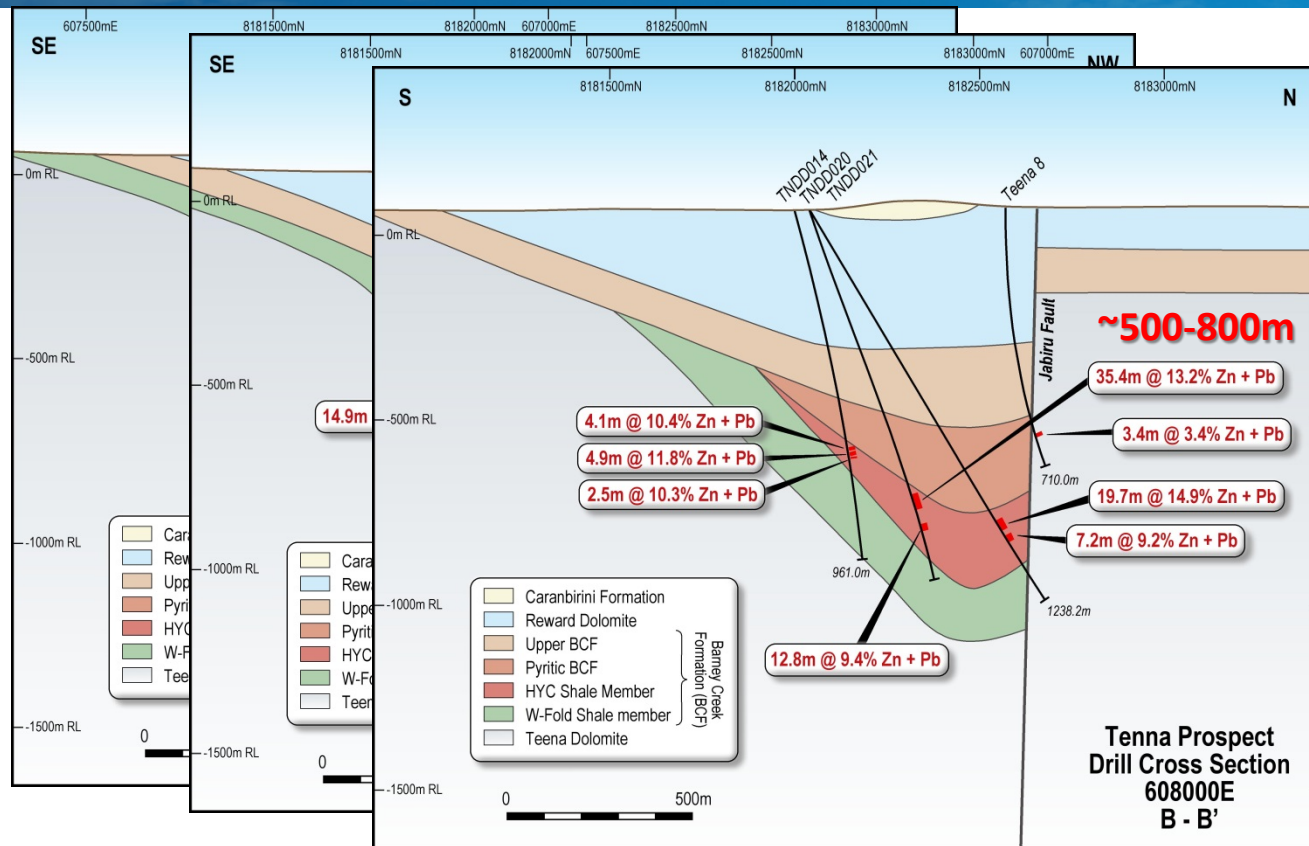
# Stacked Cross Sections



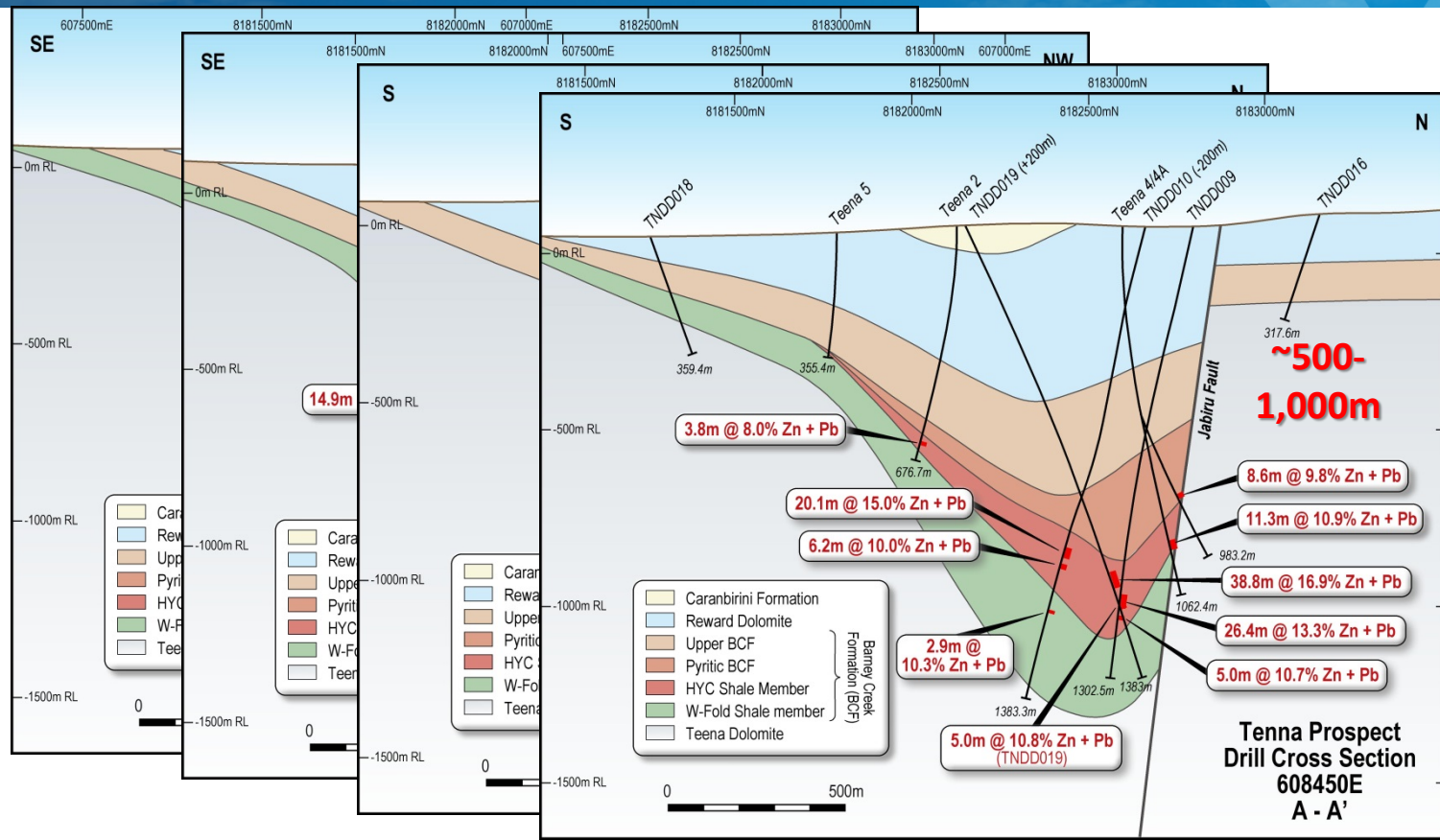




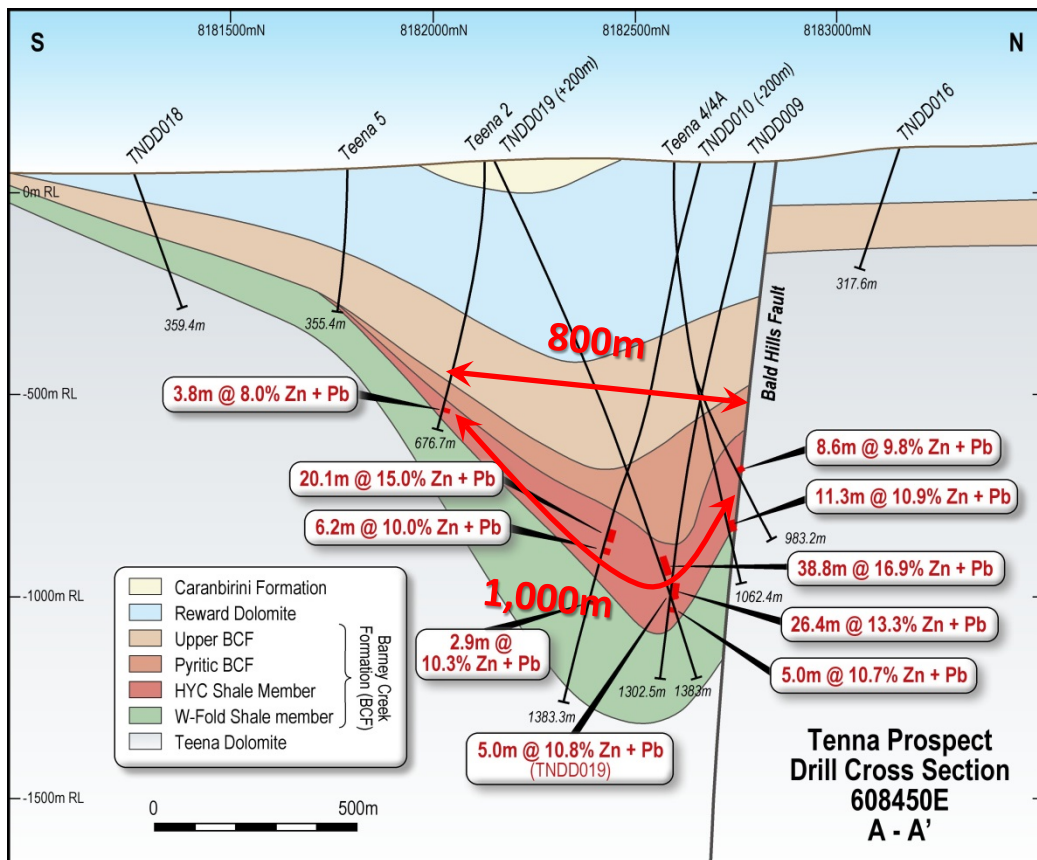
# Stacked Cross Sections



# Stacked Cross Sections



# Teena Cross Section

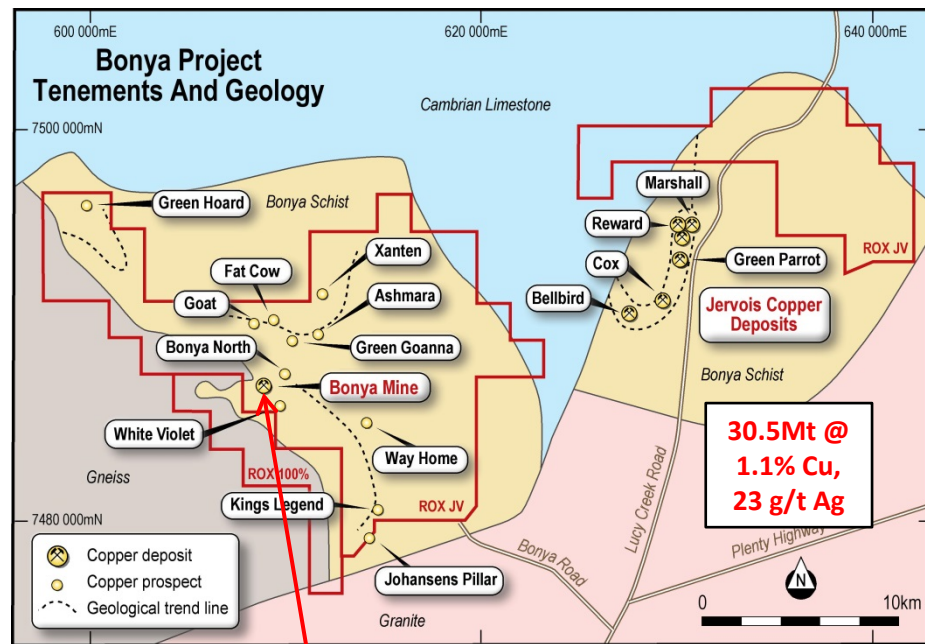


- Large stratiform mineralised system; Overall >1.9km strike x 800m wide x 250m thick; plunging east
- 1,000m around hinge
- 400-1,000m depth
- High Zn:Pb ratio = 6.5:1
- Exploration Target  
**60 - 80Mt @ 11 - 13% Zn+Pb\***  
(6-10 Mt, 13-22 Blb contained zinc-lead)

\* 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



- ➊ New high grade copper sulphide discovery at Bonya Mine prospect
- ➋ Multiple drill targets ready to be tested
- ➌ Rox 51% and earning to 70% for \$1 million (by Dec 2016)



# Historic Mining



*90 tons of copper ore from Jervois, bound for Mount Isa, around 1960*

**Jervois**

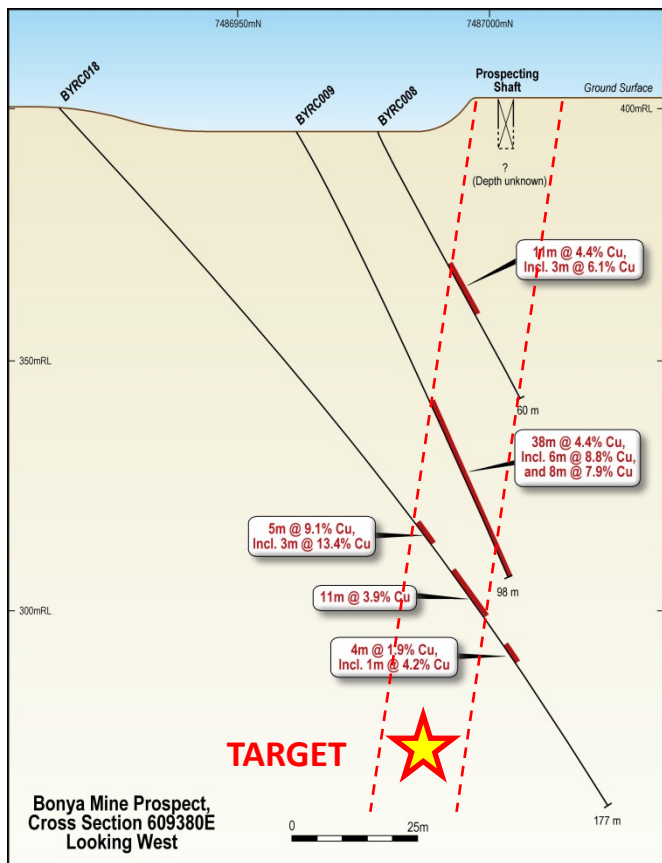


**Bonya**



*The truck returning from Mt. Isa with empty drums. Note the self-tracking trailers.*

# Bonya 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

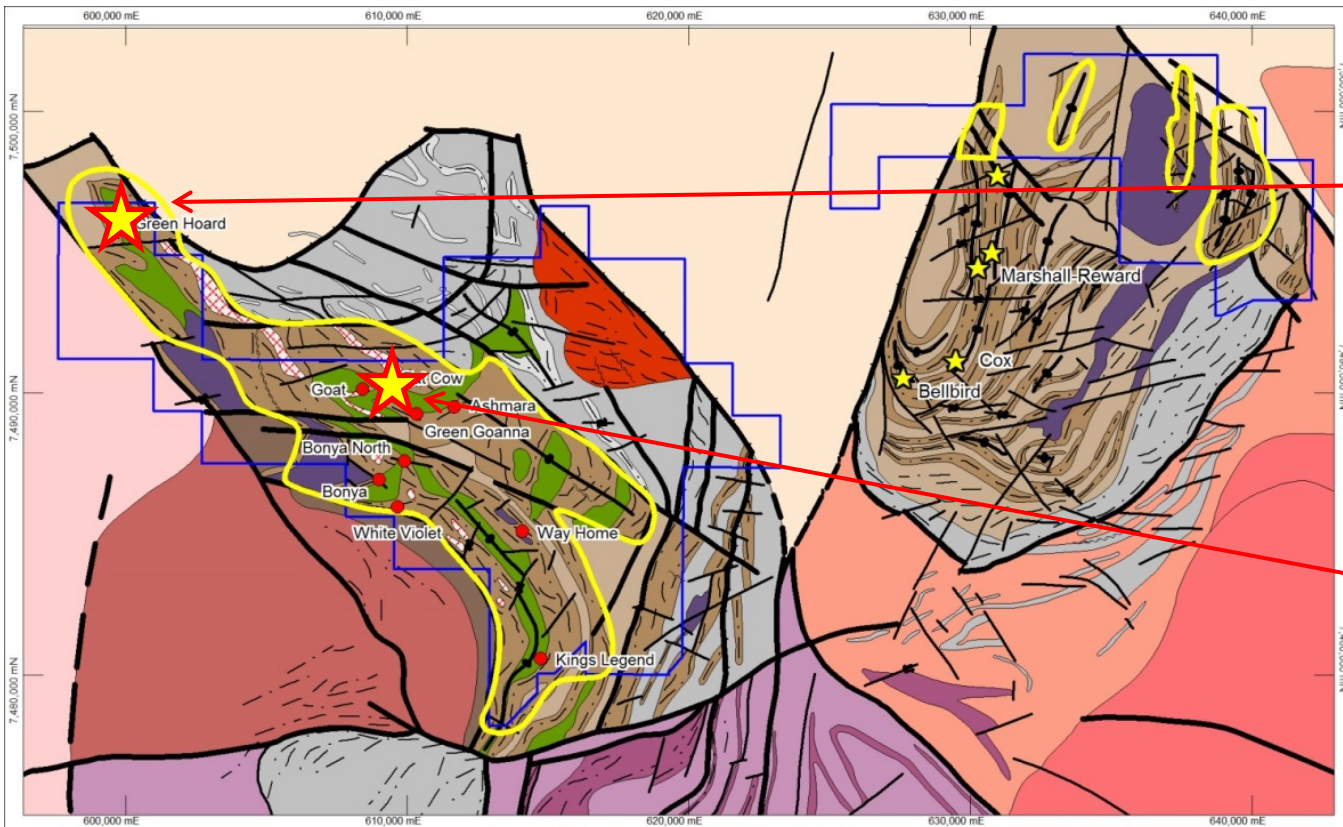
● Open at depth/down  
 plunge



\* ASX:20 October 2014, 5 November 2014, 1 December 2014



# Planned Drilling



**Green Hoard**



**Fat Cow**



# Commodity Prices?

..... Let's start with quick 'ask the audience' poll....

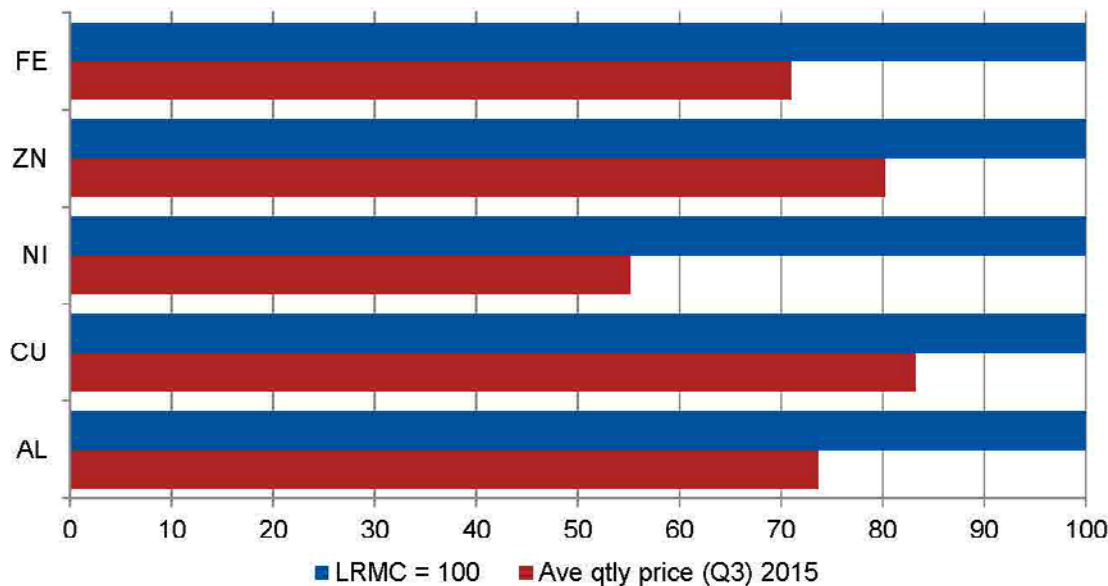


Acknowledgement  
to Alan Trench of  
CRU

# Prices Below LRMC

**Correct: Prices are 20-40% below long run costs...**

LRMC = Long Run  
Marginal Cost (last  
30 years)



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CRU

# Commodities - 2015

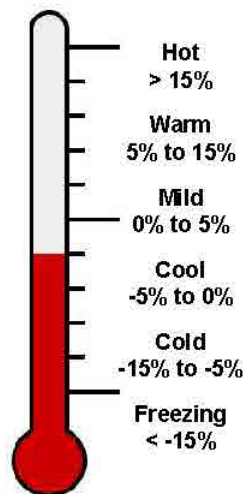


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## 2015 prices weaker than 2014 – with a ~15% decline in US\$ basket value\*

CRU basket of mining, metals and fertilizer commodities



Source: CRU \*2015 annual average price forecast over 2014 actual prices (3<sup>rd</sup> November 2015)

[www.cru.com.au](http://www.cru.com.au)

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# Zinc

## Supply Reductions

(ktpa)

Glencore	-500 kt
Century	-500 kt
Lisheen	-180 kt
Skorpion	-160 kt
Others	-190 kt
	<u>-1,530 kt</u>

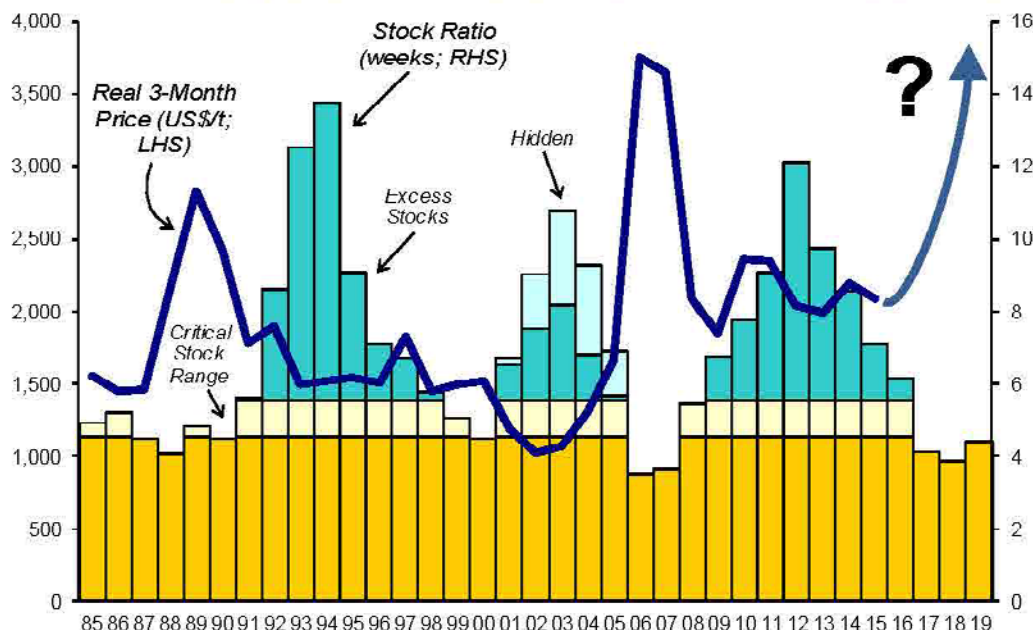
## New Supply (ktpa)

Gamsberg	+250 kt
Dugald River	+200 kt
	<u>+450 kt</u>

**Balance -1,080 kt**

9% of global supply

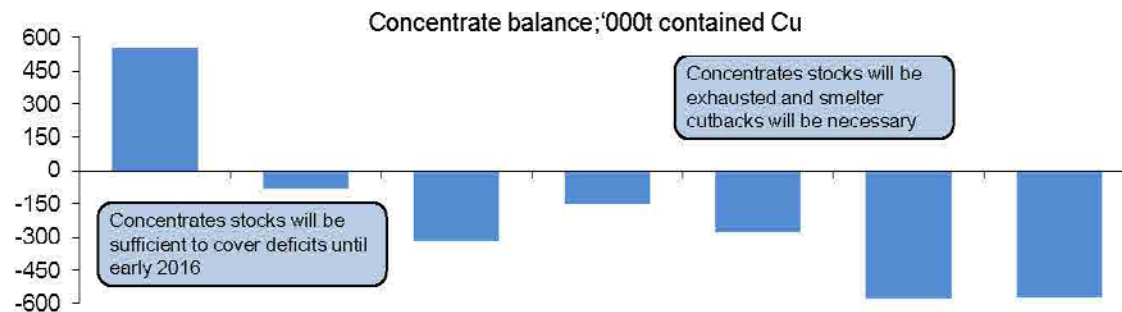
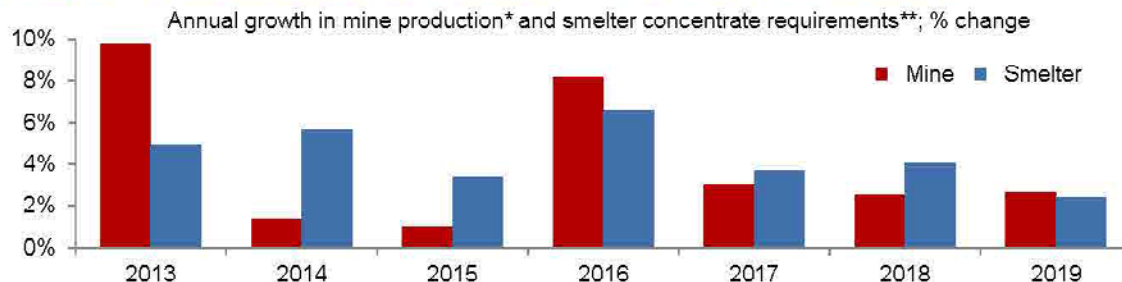
## Zinc: Price recovery ahead – indeed return to boom – but when?



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CRU

# Copper

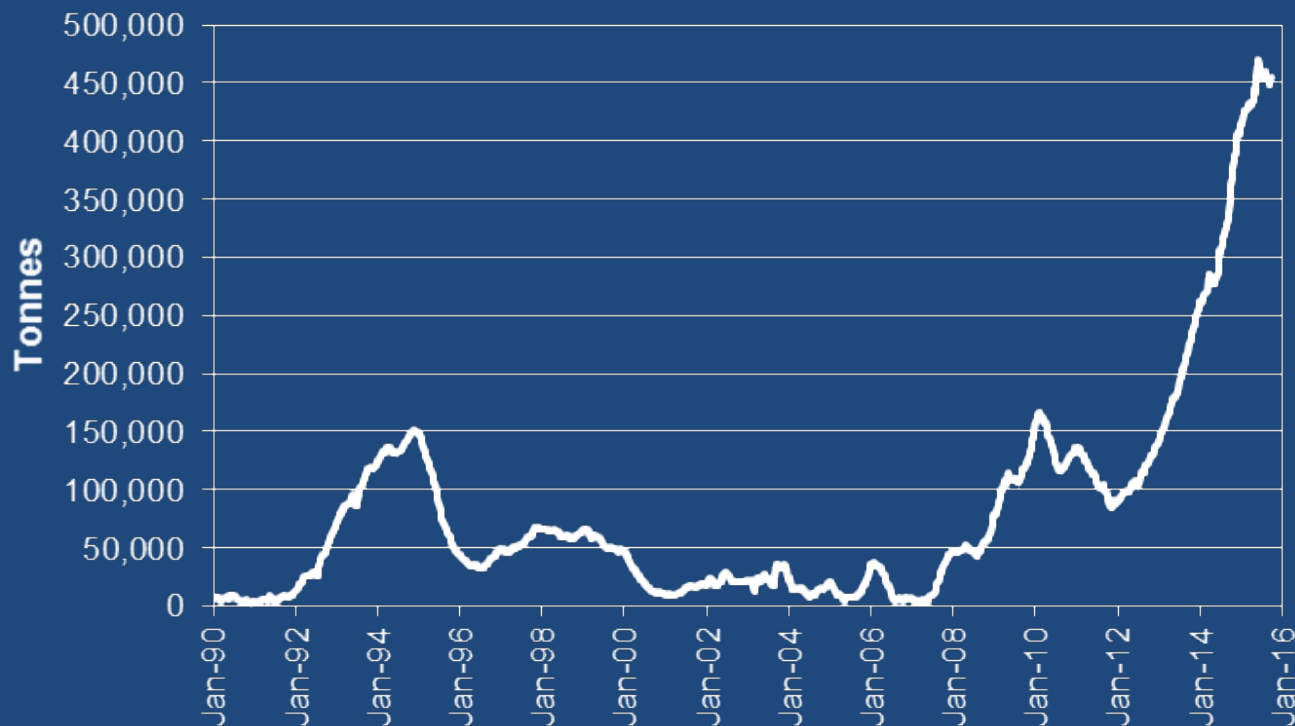
## Copper Concentrates to a deficit – Good for Cu miners



\* Copper in concentrates and other raw materials for smelting; \*\* Before raw material adjustment

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# Nickel Stocks

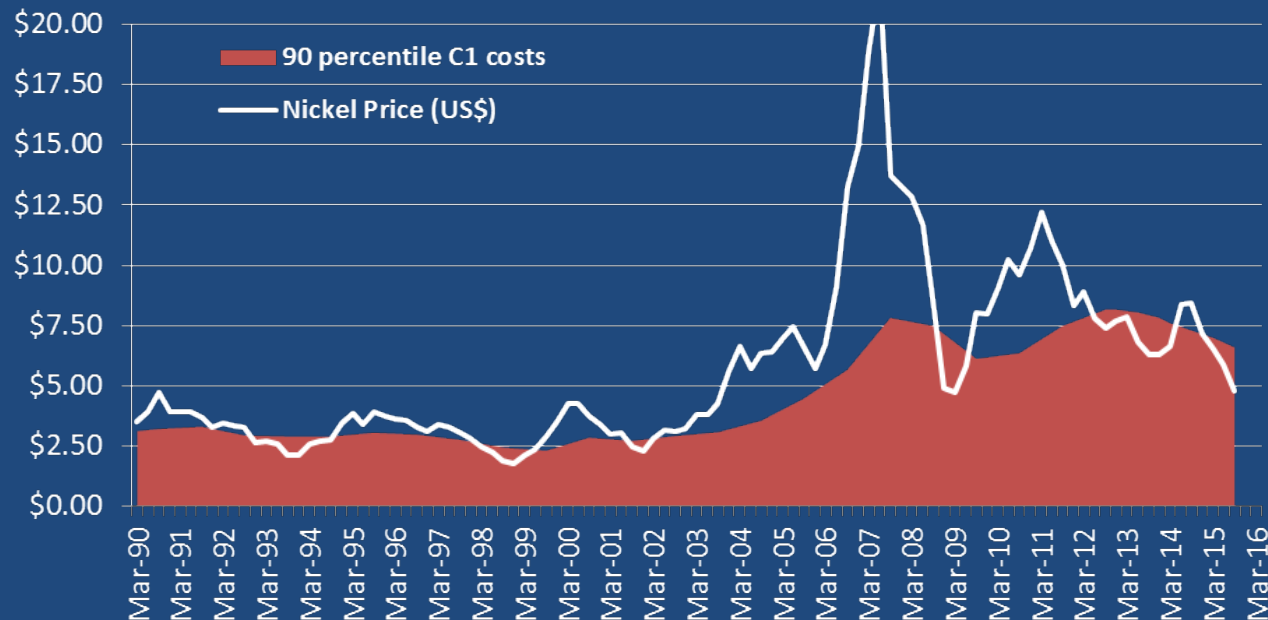


- LME Stocks ~450kt (~85 days consumption)
- Economic uncertainty surrounding direction of interest rates & global growth
- Chinese equity, debt and economic concerns

Acknowledgement  
to Carey Smith of  
Alto Capital



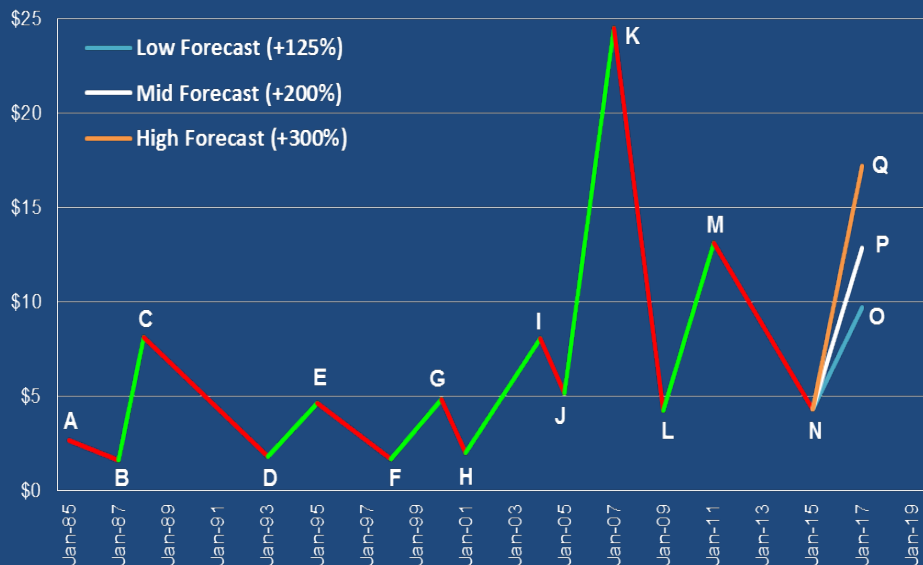
# Nickel Price/Costs



- Price floor historically around the 90<sup>th</sup> percentile of C1 costs
- 90<sup>th</sup> percentile C1 costs currently ~US\$6.60/lb (~US\$14,500t)
- Sep Quarter Average Price US\$4.80/lb
- Over short periods (6 – 18mths) nickel price can fall through 90<sup>th</sup> C1 cost

Acknowledgement  
to Carey Smith of  
Alto Capital

# Nickel Price Cycles



	From Date	Price (US\$/lb)		To Date	Price (US\$/lb)	Price Change (%)	Duration (mths)
A - B	May-85	\$2.65		Jan-87	\$1.60	-40%	20
B - C	Jan-87	\$1.60		Apr-88	\$8.15	+409%	15
C - D	Apr-88	\$8.15		Sep-93	\$1.80	-78%	64
D - E	Sep-93	\$1.80		Jan-95	\$4.65	+158%	16
E - F	Jan-95	\$4.65		Dec-98	\$1.70	-63%	46
F - G	Dec-98	\$1.70		Mar-00	\$4.85	+185%	15
G - H	Mar-00	\$4.85		Nov-01	\$2.05	-58%	20
H - I	Nov-01	\$2.05		Jan-04	\$8.05	+293%	26
I - J	Jan-04	\$8.05		Nov-05	\$5.20	-35%	22
J - K	Nov-05	\$5.20		May-07	\$24.50	+371%	18
K - L	May-07	\$24.50		Mar-09	\$4.25	-83%	22
L - M	Mar-09	\$4.25		Feb-11	\$13.10	+208%	23
M - N	Feb-11	\$13.10		Aug-15	\$4.30	-67%	53
N - O	Aug-15	\$4.30		Mar-17	\$9.70 - \$17.20	125% - 300%	19

- Average negative price move **-60%**
- Average positive price move **+270%**
- Average price up or down duration = 28 months

Acknowledgement  
to Carey Smith of  
Alto Capital

# Commodities - Forecast

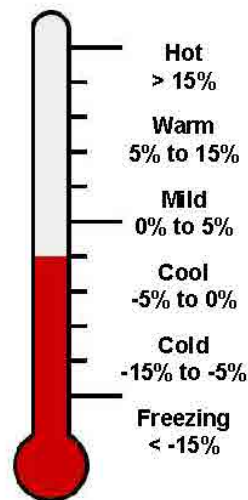


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## Base metal prices lead recovery by 2019 with fertilizers lagging\*

CRU basket of 35 mining, metals and fertilizer commodities



Source: CRU \*2019 annual average price forecast over 2014 actual prices (3<sup>rd</sup> November 2015)

[www.cru.com.au](http://www.cru.com.au)

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# Company Snapshot

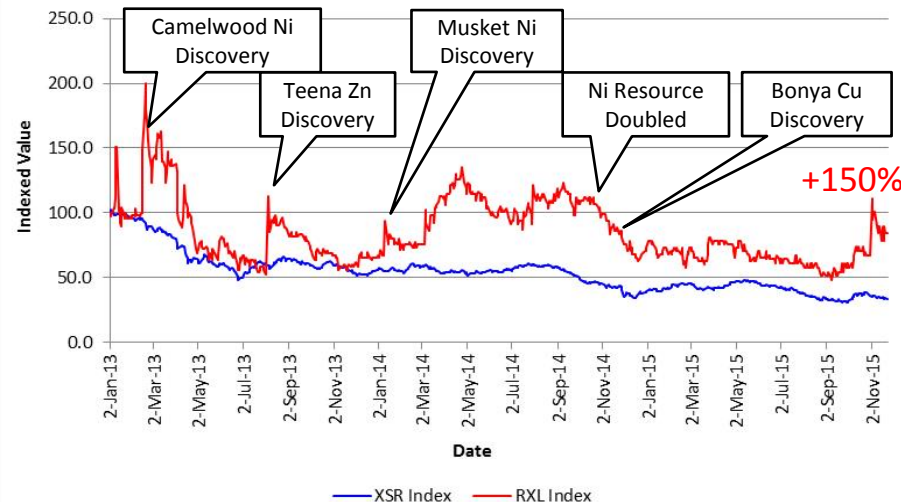
## Rox Capital Structure (24 Nov 2015)

ASX Code:	RXL
Issued Shares:	1,112.2 m
Unlisted Options:	45.3 m
Market Cap:	\$16.7 m (at 1.5c)
Cash:	\$0.657 m (30 Sept) + \$2.6m (CR)

## Experienced Board & Management

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

## Small Resources XSR Index vs. RXL Index



## Major Shareholders (24 Nov 2015)

Drake Private Investments (NY)	3.6%
Yangang (Hong Kong)	3.0%
<b>Top 20</b>	<b>~28.0%</b>
<b>Number of Shareholders</b>	<b>~3,700</b>

# Markets - XSR



Acknowledgement  
to Barry Dawes of  
Paradigm Securities

# Markets - Gold



Acknowledgement  
 to Barry Dawes of  
 Paradigm Securities





# Successful Explorer



- In last ~3 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
- Bonya is a new high grade copper discovery – more to be found
- Recently awarded Australian Mining Explorer of the Year
- Out-performing the Small Resources Index

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## Competent Person Statements

*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 and is available to view at [www.asx.com](http://www.asx.com). Rox confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.*

*The information in this report that relates to previous Exploration Results and Mineral Resources for the Mt Fisher Gold-Nickel, Reward Zinc-Lead, and Bonya Copper projects, 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 it was first reported. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, 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.*





# Thanks to Jeff Gresham



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# The End

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