2015 Mining AUSTRALIAN MINING PROSPECT AWARDS WINNER EXPLORER OF THE YEAR

ROX RESOURCES

**ASX ANNOUNCEMENT** **5 FEBRUARY 2016**


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**Projects:**

**Mt Fisher:** nickel-gold (100%)

**Reward:** zinc-lead (diluting from 49%)

**Bonya:** copper-silver (earning up to 70%)


# MINERAL RESOURCE UPGRADE FOR FISHER EAST

- **4.2 million tonnes grading 1.9% nickel containing 78,000 tonnes of contained nickel**
- **91% of Mineral Resource now in Indicated category**
- **Maiden Cannonball Mineral Resource of 0.26 million tonnes grading 2.8% nickel containing 7,300 tonnes of contained nickel**
- **High grade portion of total Mineral Resource of 0.5 million tonnes grading 4.6% nickel for 21,100 tonnes of contained nickel**

Rox Resources Limited (**ASX: RXL**) ("**Rox**" or "**the Company**") is pleased to advise that it has completed a revised Mineral Resource estimate for the Fisher East nickel sulphide deposits.

Overall the Mineral Resource has increased by 8% in contained nickel, from 72,100 tonnes to 78,000 tonnes. Of more importance is that the proportion of Indicated Resource has increased to 91% from 52%.

Revised modelling parameters resulting from a better understanding of the geological and metallurgical aspects of the deposits have allowed better definition of the Mineral Resource, with the massive and disseminated sulphide mineralised zones now clearly separated, defined and modelled. This is essential for mine planning purposes and has resulted in revisions to the previously published Mineral Resource.

Added to the total Fisher East Mineral Resource is the Cannonball deposit with **0.26 million tonnes grading 2.8% Ni** for **7,300 tonnes of contained nickel**. The deposit is still open at depth, with un-tested downhole EM anomalies still to be drilled.

Due to re-modelling and separation of massive sulphides from disseminated sulphides, the Camelwood Mineral Resource has been updated to **2.0 million tonnes grading 1.9% Ni** for **39,000 tonnes of contained nickel**.

Incorporation of recent drilling, and re-modelling and separation of massive sulphides from disseminated sulphides has resulted in an updated Mineral Resource for Musket of **1.9 million tonnes grading 1.7% Ni** for **31,600 tonnes of contained nickel**.

Total project resources (Musket + Cannonball + Camelwood, but excluding Sabre) now stand at **4.2 million tonnes at 1.9% nickel** for **78,000 tonnes of contained nickel**.

Indicated resources now account for 91% of the total resource:

Indicated: **3.7 million tonnes at 1.9% nickel** (for 71,000 tonnes of contained nickel)
Inferred: **0.5 million tonnes at 1.5% nickel** (for 7,000 tonnes of contained nickel)

Other sub-divisions of the Mineral Resource include:

Massive & Blebby Sulphides: **0.5 million tonnes at 4.6% Ni** for 21,100 t of contained nickel
Higher grade disseminated sulphides: **3.0 million tonnes at 1.6% Ni** for 48,300 t of contained nickel
Low grade disseminated sulphides: **0.7 million tonnes at 1.2% Ni** for 8,500 t of contained nickel

Details can be reviewed in Tables 1 – 3 below.

Rox Managing Director, Mr Ian Mulholland commented "*This revised resource estimate continues to demonstrate the excellent prospectivity of the Fisher East nickel sulphide belt, and now builds the overall project resources to a total of 78,000 tonnes of contained nickel at a grade of 1.9% nickel".*

*"The high grade portion of the resource grades a credible 4.6% nickel spread over the three deposits."*

*"The marked increase in the proportion of Indicated to 91% (from 52% previously) is very significant, because it means that the Mineral Resource can now be largely converted to an Ore Reserve with the application of the applicable additional factors, which when combined with other studies being undertaken will ensure we will be ready to take advantage of any strengthening of the nickel price."*

*"There continues to be excellent prospects for further expanding the total mineral resource at Fisher East. We have the Sabre deposit which is not yet drilled out to resource status, and then there are a number of other very promising aircore and geophysical targets still to be properly tested."*

**Commentary**

The Mineral Resource estimate for Musket has been completed in accordance with the guidelines of the JORC Code (2012 Edition). The tables to support the requirements of the JORC Code (2012 Edition) with regard to *Sampling Techniques and Data (Section 1), Reporting of Exploration Results (section 2),* and *Estimation and Reporting of Mineral Resources (Section 3)* are appended to this report.

Rox first announced the occurrence of anomalous nickel at Fisher East in November 2012 and exploration since then has identified three nickel sulphide resources: Camelwood, Musket and Cannonball. A fourth deposit at Sabre is not yet drilled out to resource status.

Rox has drilled 160 reverse circulation and diamond drill holes for a total drilled length of 41,400m to define the mineral resources.

The Fisher East deposits consist of nickel sulphide mineralisation in talc-carbonate-altered komatiitic ultramafic rocks.

From north to south the deposits are Camelwood, Cannonball and Musket. The three deposits are tabular in shape with thicknesses much less than their strike and dip extents. The deposits occur over a combined strike length of just under 3 kilometres.

Camelwood strikes at about 345$^{o}$ and dips at about -60$^{o}$ towards 075$^{o}$. The strike length of Camelwood is about 1,400m and the known down-dip extent ranges from 100m to 500m.

Cannonball strikes at about 345$^{o}$ and dips at about -60$^{o}$ towards 075$^{o}$. The strike length of Cannonball is about 300m and the known down-dip extent ranges from about 80m to 350m.

Musket strikes at about 345$^{o}$ and dips at about -65$^{o}$ towards 075$^{o}$ and appears to plunge to the north at about 50$^{o}$. The strike length of Musket is about 500m and the known down-dip extent ranges from 100m to 450m.

The main nickel bearing mineral is the nickel sulphide pentlandite. The sulphide portion of the mineralisation includes pyrrhotite and minor pyrite after pyrrhotite, pentlandite, violarite and traces of chalcopyrite.

The deposits are layered with three mineralised layers having been identified:

- highest grade Ni in massive and semi-massive sulphide;
- higher grade Ni in matrix and minor disseminated sulphide;
- lower grade Ni in sparse disseminated sulphide.

Mineral Resources have been estimated for the three deposits. The massive/semi-massive mineralised layer does not occur at Cannonball, instead being represented by blebby sulphides.

Block models with a parent block size of 25m (north-south) x 10m (east-west) x 5m (vertical) with sub-celling allowed to a minimum block size of 1.562m x 0.625m x 0.312m to allow for good representation of the geological interpretation.

The total sulphide content of the mineralisation has the most influence on the density of the mineralisation. Bulk densities for the three deposits were based on the correlation between sulphur content and densities measured on drill core. Bulk densities in the mineralisation ranged from 2.8 to about 4.5 tonnes per cubic metre.

All tonnage estimates were made in dry tonnes.

Ni and S grades were interpolated into the blocks representing the nickel-sulphide layers using ordinary kriging for the higher grade and lower grade layers and attribution of global mean Ni and S grades estimated from a nearest neighbour model for the highest grade layers.

A cut-off grade of 1.0% Ni was applied. This was also the cut-off grade used for previous resource estimates (ASX:RXL 4 October 2013, 3 September 2014). No assumptions regarding mining methodology have been built into the resource model.

Beyond the assumption that nickel could be recovered using traditional treatment methods, no other assumptions regarding the metallurgical recovery have been built into the model. Metallurgical recoveries from the test-work included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material, and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide (ASX:RXL 17 February 2015).

Mining One carried out a site visit to the Mount Fisher Project (Fisher East area). Mr Mick McKeown (Senior Geologist/Mining Engineer), who is acting as the Competent Person, inspected the area covering the Camelwood, Cannonball and Musket deposits, along with the core logging and sampling facilities.

Rox Managing Director, Ian Mulholland said "*The updated resource models are a great improvement on the previous models since they now incorporate sub-divisions of the resource based on mineralogical and metallurgical factors which will be critical to the optimal mining and processing of the deposits. We are now progressing Pre-Feasibility level studies*".

**ENDS**

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**Table 1: Combined and Individual Deposit Mineral Resource Estimates at 1.0% Cut-Off Grade**

| | | This Resource Estimate | | | Previous Resource Estimate | | |
|---|---|---|---|---|---|---|---|
| **Deposit** | **Category** | **Tonnes (Mt)** | **Grade Ni%** | **Contained Metal Nickel (kt)** | **Tonnes (Mt)** | **Grade Ni%** | **Contained Metal Nickel (kt)** |
| **Camelwood** | Indicated | 1.7 | 2.0 | 34.0 | 0.6 | 2.4 | 13.8 |
| | Inferred | 0.3 | 1.5 | 5.0 | 1.0 | 2.1 | 20.8 |
| | **Total** | **2.0** | **1.9** | **39.0** | **1.6** | **2.2** | **34.6** |
| **Cannonball** | Indicated | 0.24 | 2.9 | 7.0 | | | |
| | Inferred | 0.02 | 1.9 | 0.3 | | | |
| | **Total** | **0.26** | **2.8** | **7.3** | | | |
| **Musket** | Indicated | 1.8 | 1.7 | 30.0 | 1.2 | 2.0 | 24.0 |
| | Inferred | 0.1 | 1.5 | 1.6 | 0.9 | 1.5 | 13.5 |
| | **Total** | **1.9** | **1.7** | **31.6** | **2.1** | **1.8** | **37.5** |
| **TOTAL** | Indicated | 3.7 | 1.9 | 71.0 | 1.8 | 2.1 | 37.8 |
| | Inferred | 0.5 | 1.5 | 7.0 | 1.9 | 1.8 | 34.3 |
| | **Total** | **4.2** | **1.9** | **78.0** | **3.6** | **2.0** | **72.1** |

*Notes: Figures may not add up exactly due to rounding errors.*
*Previous Resource Estimates (ASX:RXL 9 October 2013, 4 September 2014)*

**Table 2: Combined and Individual Deposit (Indicated Plus Inferred) Mineral Resource Estimates at 1.0% Cut-Off Grade by Mineralisation Type**

| **Deposit** | **Type** | **Tonnes (Mt)** | **Grade** | **Contained Metal** |
|---|---|---|---|---|
| | | | **Ni%** | **Nickel (kt)** |
| **Camelwood** | Massive | 0.2 | 4.6 | 10.1 |
| | Hi Disseminated | 1.1 | 1.9 | 21.0 |
| | Lo Disseminated | 0.7 | 1.2 | 7.9 |
| | **Total** | **2.0** | **1.9** | **39.0** |
| **Cannonball** | Blebby | 0.21 | 3.2 | 6.7 |
| | Lo Disseminated | 0.05 | 1.2 | 0.6 |
| | **Total** | **0.26** | **2.8** | **7.3** |
| **Musket** | Massive | 0.04 | 11.7 | 4.3 |
| | Hi Disseminated | 1.9 | 1.5 | 27.3 |
| | **Total** | **1.9** | **1.7** | **31.6** |
| **TOTAL** | Massive | 0.3 | 5.6 | 14.4 |
| | Blebby | 0.2 | 3.2 | 6.7 |
| | Hi Disseminated | 3.0 | 1.6 | 48.3 |
| | Lo Disseminated | 0.7 | 1.2 | 8.5 |
| | **Total** | **4.2** | **1.9** | **78.0** |

*Note: Figures may not add up exactly due to rounding errors.*

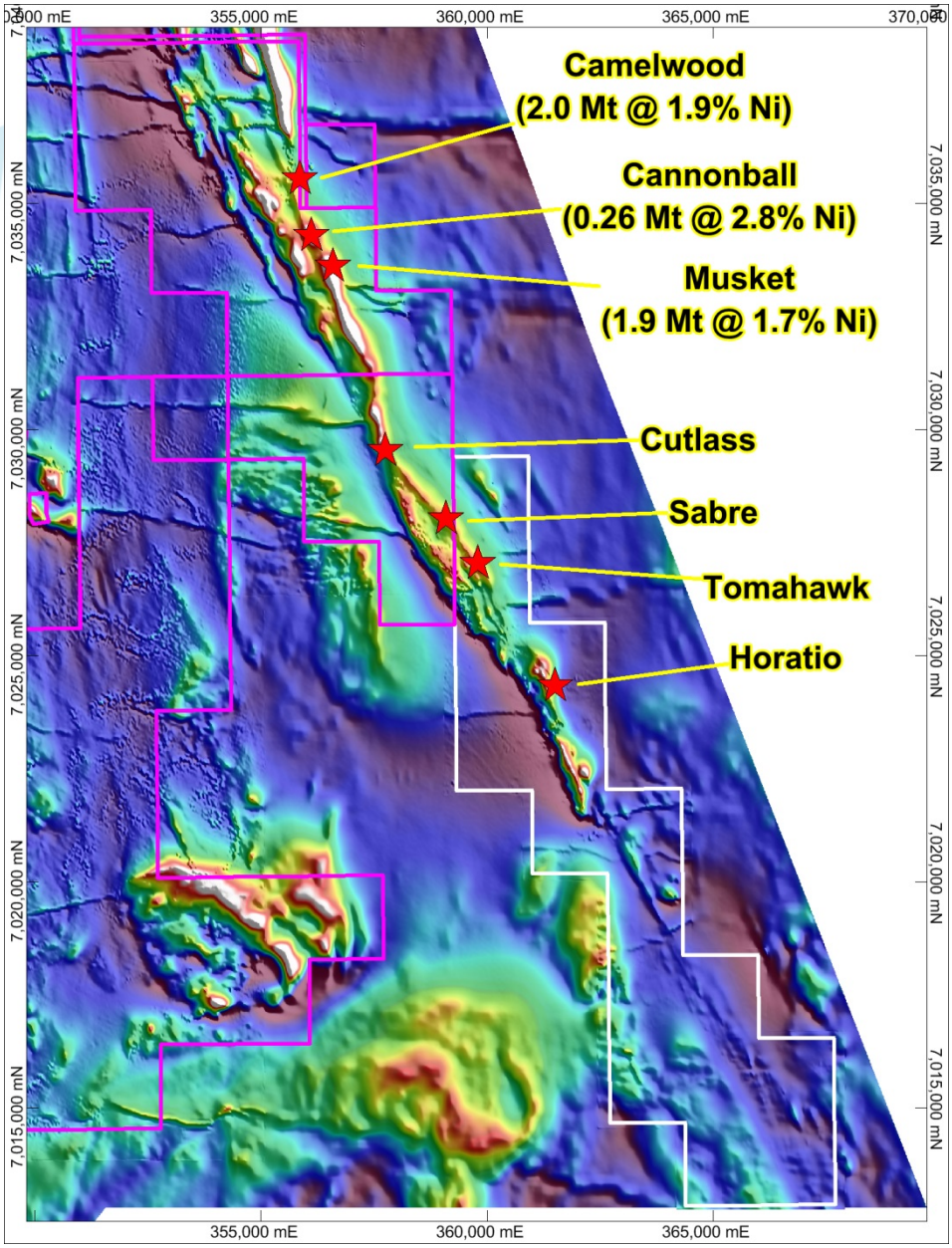


*Figure 1: Location of Fisher East Nickel Sulphide Deposits and Prospects*

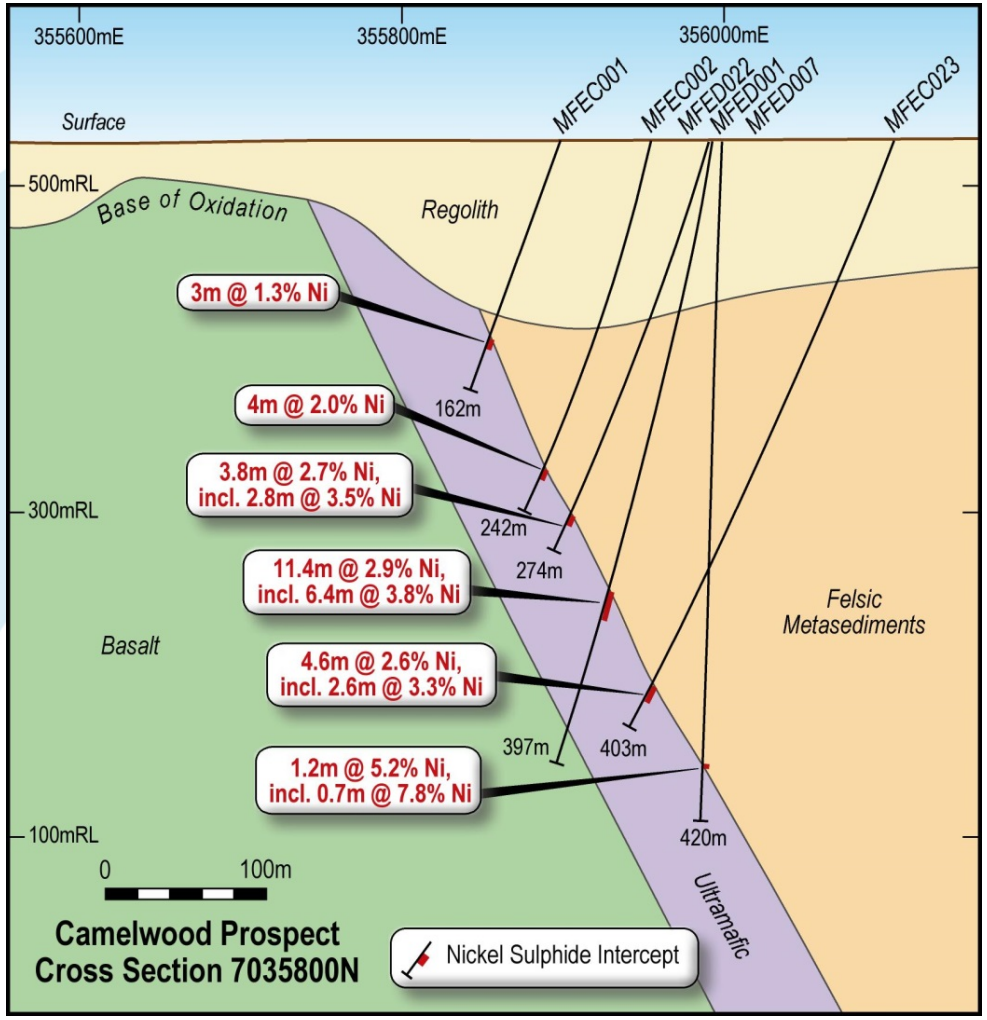


*Figure 2: Typical Cross Section through the Camelwood deposit*

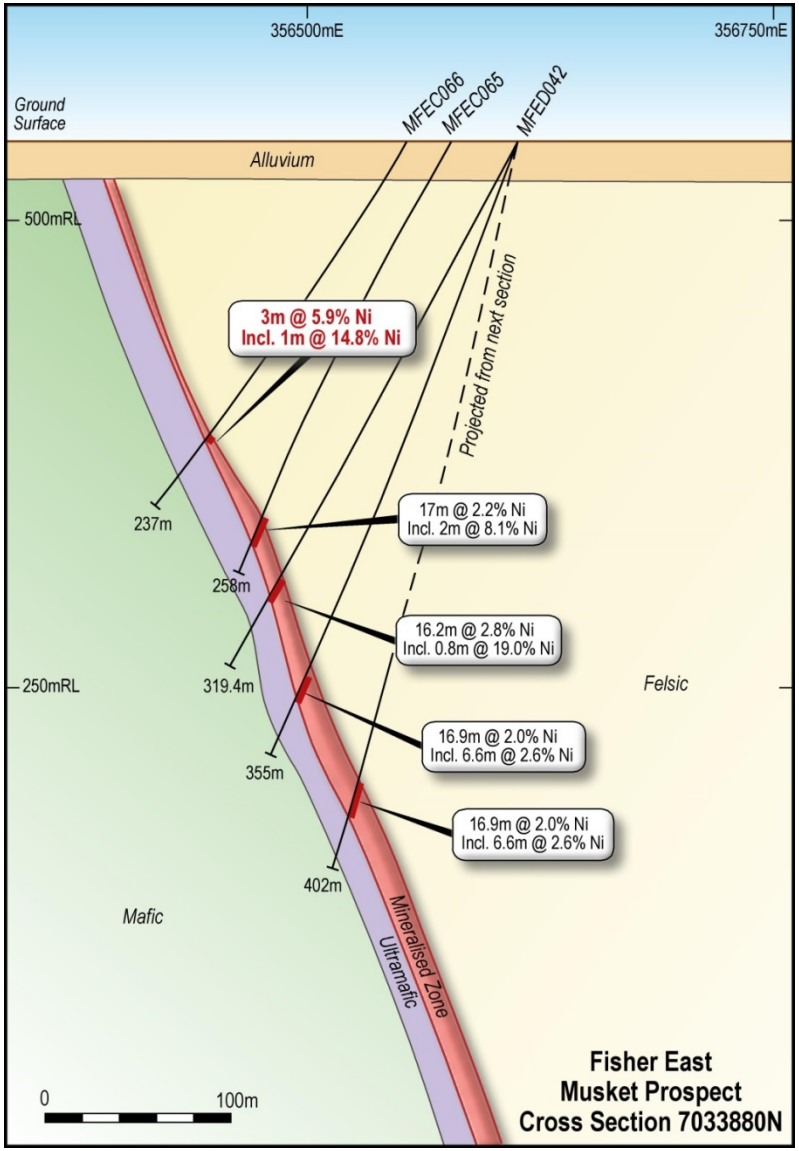


*Figure 3: Typical Cross Section through the Musket Deposit*

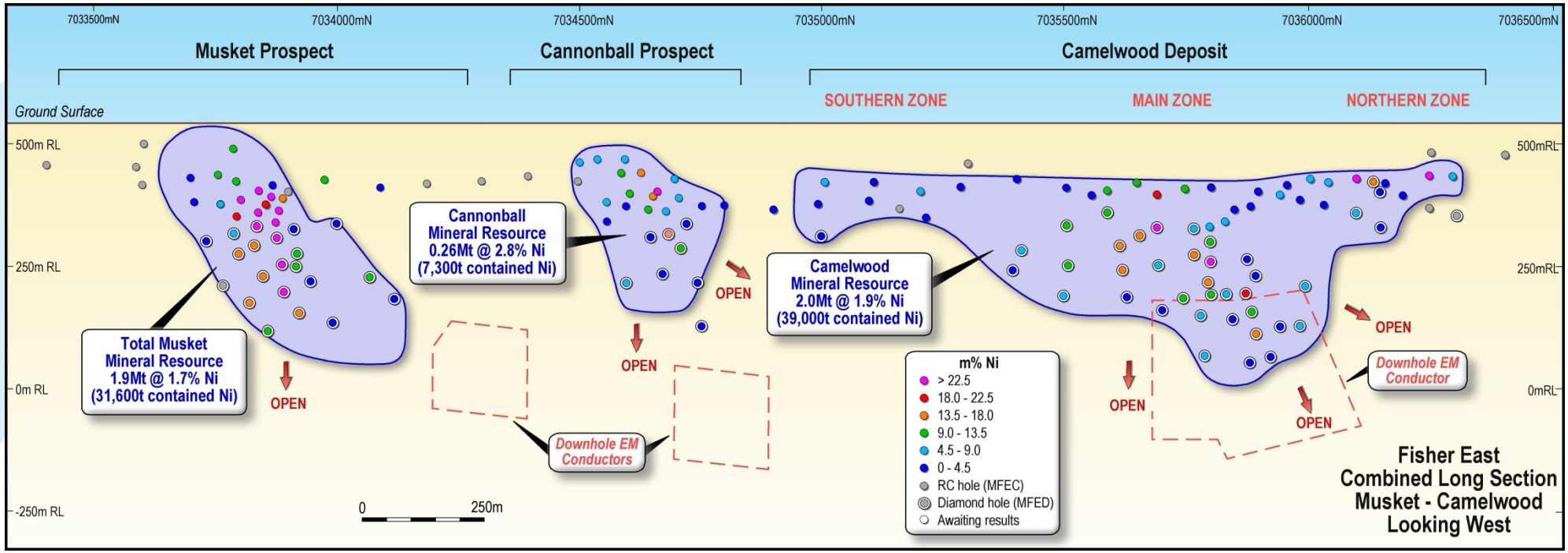


*Figure 4: Camelwood-Musket Long Section showing Mineral Resource Outlines*

**Table 3: Total Fisher East (Indicated and Inferred) Mineral Resource at Various Cut-Off Grades**

| Ni% cut-off | Tonnes (Mt) | Grade Ni% | Contained Metal Nickel (t) |
|---|---|---|---|
| 0.00 | 12.5 | 1.0 | 120.3 |
| 0.50 | 7.7 | 1.3 | 103.4 |
| 0.75 | 5.7 | 1.6 | 91.1 |
| **1.00** | **4.2** | **1.9** | **78.0** |
| 1.25 | 3.1 | 2.1 | 65.3 |
| 1.50 | 2.1 | 2.5 | 52.0 |
| 2.00 | 0.9 | 3.5 | 32.0 |

*Note: Figures may not add up exactly due to rounding errors.*

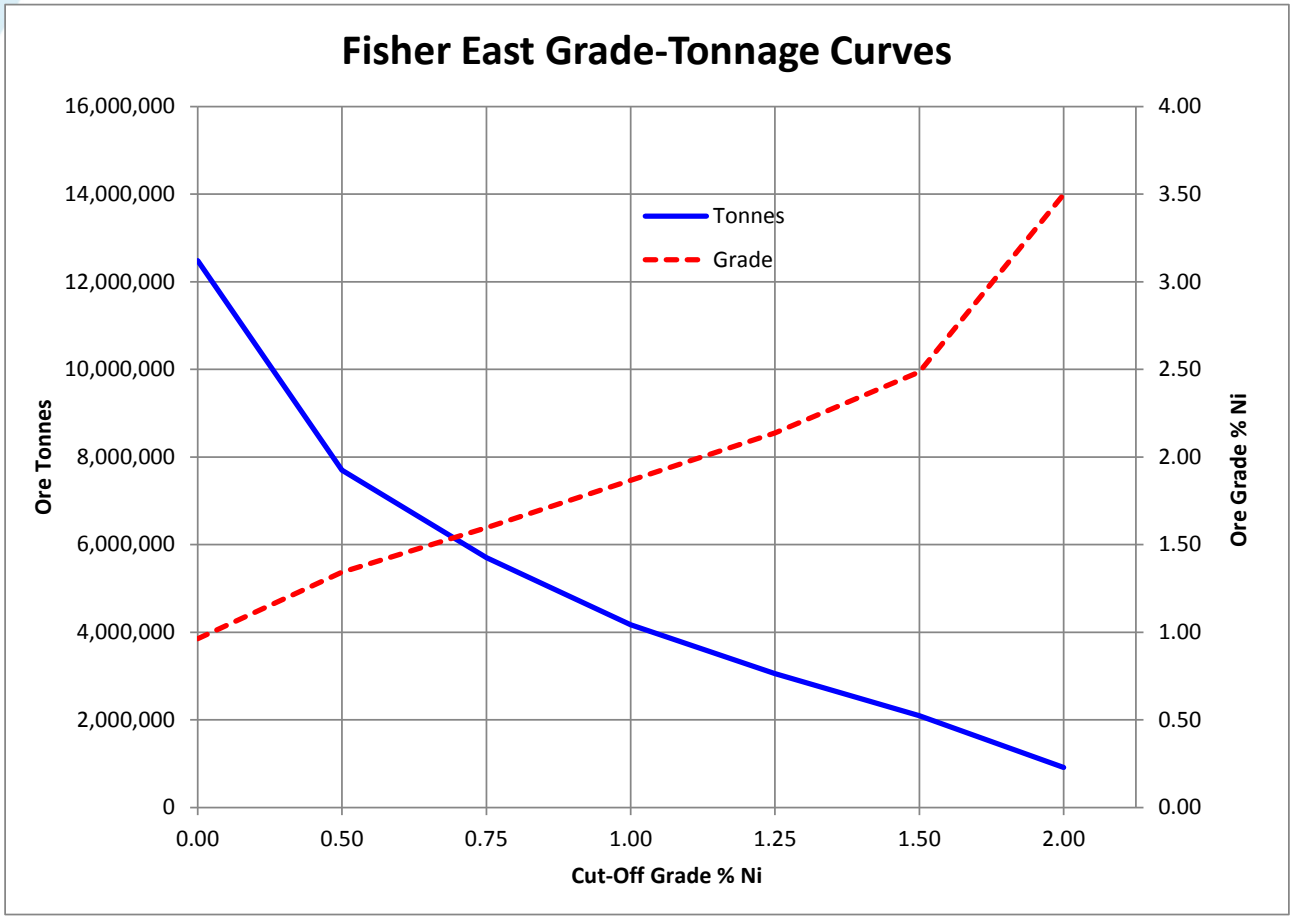


*Figure 5: Grade Tonnage Curve Based on Data listed in Table 3*

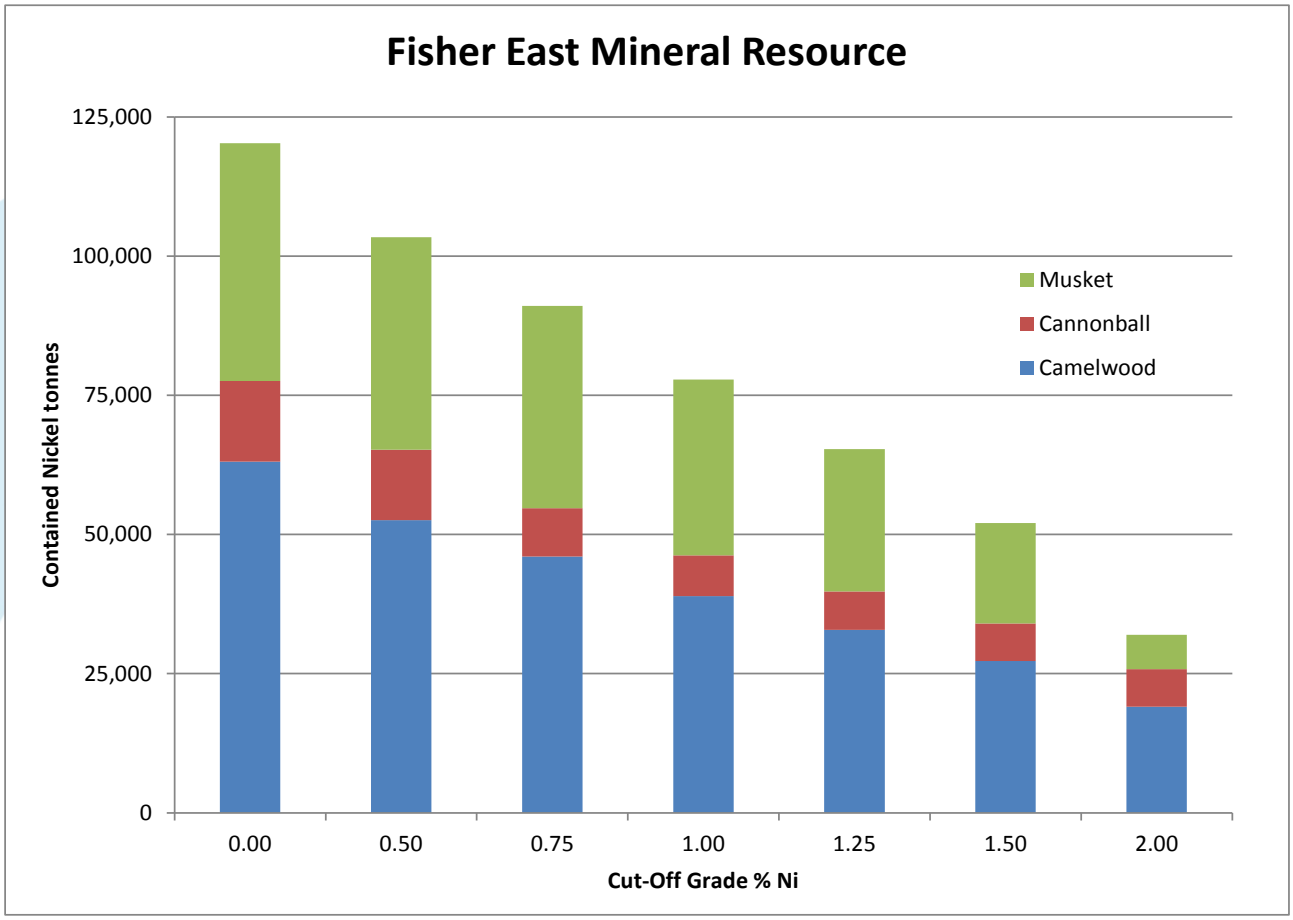


*Figure 6: Total Resource (Indicated Plus Inferred) (contained nickel tonnes) based on cut-off grade and deposit*

## Appendix

The following information is provided to comply with the JORC (2012) requirements for the reporting of the Fisher East Mineral Resource estimate.

## Section 1 Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Sampling techniques | Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. | The Fisher East deposits have been sampled at a nominal 40 m by 40m to 80m by 80 m spacing using a combination of 5.5" (140 mm) reverse circulation percussion (RC) and diamond drill (DD) holes. Core size was dominantly NQ2 size diameter. In summary, results of the following drilling were used for this resource estimation:<br>• Camelwood: 38 RC holes for a drilled length of 6470.0m and 41 DD holes for a drilled length of 15,56.2m;<br>• Cannonball: 21 RC holes for a drilled length of 3,618.0m and 10 DD holes for a drilled length of 3,566.0m.<br>• Musket: 25 RC holes for a drilled length of 4,594.0m and 20 DD holes for a total depth of 7,565.1m.<br>Holes were drilled towards grid west at varying dips to intersect the mineralised zones at close to perpendicular. |
| | Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used | 1m RC samples were collected by a cone splitter. Diamond core drilling was logged for lithology, structure, alteration, geotechnical and other attributes. Rox sampling and assaying procedures meet quality assurance and quality control (QA/QC) measures that are of industry best practice standards. |
| | Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information | Diamond core is dominantly NQ2 size, sampled on geological intervals, with a minimum of 0.1 m up to a maximum of 1.5 m. NQ2 core is halved longitudinally by sawing; HQ core is quartered. RC drill holes were sampled on 1m intervals using cone splitter units. Samples were sent to Intertek Genalysis in Kalgoorlie, crushed to 10mm, dried and pulverised (total prep) in LM5 units (Some samples > 3kg were split) to produce a sub-sample. The pulps were then sent to Perth for analysis by four acid digest with a multi-element ICP-OES finish (code: 4A/OE-multi element). Au, Pt and Pd were analysed by 25 gram fire assay with a mass spectrometer finish. Internal laboratory QA makes use of blanks, certified reference materials, duplicate and replicate sampling and assaying. |
| Drilling techniques | Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | Drilling techniques were Reverse Circulation (RC) and diamond core (DD).<br>The RC hole diameter was 140mm face sampling hammer. Hole depths range from 86m to 259m.<br>DD hole diameter was NQ2 with HQ pre-collar and upper hole portions. Hole depths range from 162.3m to 751.1m. Pre-collars for diamond holes were drilled using a roller bit and reamed to HW casing size.<br>Core was orientated using a Camtech orientation tool. |
| Drill sample recovery | Method of recording and assessing core and chip sample recoveries and results assessed | Diamond drill core recoveries were logged and recorded in the database. Overall recoveries were >95%, and there were no significant core loss or recovery problems.<br>RC drill recoveries were very good; almost all samples were dry. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Measures taken to maximise sample recovery and ensure representative nature of the samples | Diamond core was reconstructed into continuous sample runs on an angle iron used for orientation marking. Depths were measured and checked against marked depths on the core blocks.<br><br>RC samples were visually checked for recovery, moisture and contamination and notes made in the logs. |
| | Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | Samples used for the Mineral Resource estimate came from both RC and DD drilling, both of which had high recoveries. There is no observable relationship between recovery and grade, and therefore no sample bias from this cause. |
| Logging | Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. | Detailed geological and geotechnical logs were carried out on all diamond drill holes for recovery, rock quality designation (RQD) and structures including logging of structure type, dip, dip direction, alpha angle, beta angle, texture, fill material. This data is stored in the drill hole database. |
| | Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. | Logging of diamond core and RC chips recorded lithology, mineralogy, mineralisation, structure (for DD only), weathering, colour, and other sample features. Core was photographed wet and is stored in plastic core trays. RC chips are stored in plastic RC chip trays. |
| | The total length and percentage of the relevant intersections logged | All holes were logged in full except for the rock roller bit diamond hole pre-collars (0-80m in most cases). |
| Sub-sampling techniques and sample preparation | If core, whether cut or sawn and whether quarter, half or all core taken. | Drill core was cut in half longitudinally on site using a core saw. All samples in a hole were collected from the same side of the core, preserving the orientation mark in the retained core. |
| | If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. | RC samples were collected on the drill rig using a cone splitter. The majority of these samples were collected dry. Very few of the mineralised samples were collected wet, and these were noted in the drill logs and database. |
| | For all sample types, the nature, quality and appropriateness of the sample preparation technique. | Sample preparation followed industry best practice at the laboratory of Intertek Genalysis in Kalgoorlie. This involved oven drying, coarse crushing of diamond core to ~10mm, followed by pulverisation of the entire sample in an LM5 or equivalent pulverising mill to a grind size of 85% passing 75 micron. |
| | Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. | Field QC procedures involve the use of Certified Reference Materials (CRM's) as assay standards, along with blanks, duplicates and barren waste samples. The insertion rate of these was approximately 1:20. |
| | Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. | No diamond core field duplicates were taken. For RC drilling field duplicates were taken at an approximate 1:50 ratio using the same sampling techniques, that is a cone splitter. |
| | Whether sample sizes are appropriate to the grain size of the material being sampled. | Sample sizes are considered more than adequate to ensure that there are no particle size effects relating to the grain size of the mineralisation which lies in the percentage range. |
| Quality of assay data and laboratory tests | The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. | The analytical technique involved a four acid digest followed by multi-element ICP/OES analysis (Intertek analysis code 4A/OE). The four acid digest involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types, except certain chromite minerals. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. | No geophysical or portable analysis tools were used to determine assay values stored in the database. |
| | Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. | Internal laboratory control procedures involve duplicate assaying of randomly selected assay pulps as well as internal laboratory standards. All of these data are reported to the Company and analysed for consistency and any discrepancies.<br>Check assays were undertaken at an independent third party assay laboratory and correlated extremely well. |
| Verification of sampling and assaying | The verification of significant intersections by either independent or alternative company personnel. | Both senior technical personnel from the Company (Managing Director, Chairman and Exploration Manager) have visually inspected and verified the significant drill core intersections. |
| | The use of twinned holes. | No drill holes were twinned. |
| | Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. | Primary data was collected using a standard set of Excel templates on Toughbook laptop computers in the field. These data were transferred to Geobase Pty Ltd for data verification and loading into the drill hole database. |
| | Discuss any adjustment to assay data. | No adjustments or calibrations have been made to any assay data. |
| Location of data points | Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. | Drill hole surveying was carried out by a licensed surveyor with a DGPS unit.<br>Down hole surveys were carried out regularly with a minimum interval 30m downhome spacing with electronic digital magnetic Reflex or Ranger Survey Tool. |
| | Specification of the grid system used. | The grid system used was MGA_GDA94, zone 51. |
| | Quality and adequacy of topographic control. | A topographic surface was generated from drill collar surveys, in addition, digital terrain models were generated from low level airborne geophysical surveys. |
| Data spacing and distribution | Data spacing for reporting of Exploration Results. | Nominal drill hole spacing was 80 x 80 metres, with some areas in filled to 40 x 40 metre spacing. |
| | Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. | The geology and grade of the mineralisation showed continuity from hole to hole that was sufficient to support the estimation of a Mineral Resource or Ore Reserve and the classifications contained in the JORC Code (2012 Edition). |
| | Whether sample compositing has been applied. | For diamond drill holes, no physical sample compositing was used. Nominal sample length was one metre with adjustments to match lithological boundaries where required.<br>For RC samples, mineralised zones were sampled at a one metre intervals; sample compositing occurred over 4 metre intervals for un-mineralised material. |
| Orientation of data in relation to geological structure | Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. | The deposits strikes at about 345 degrees and dip to the east at between -60 to -75 degrees. Drill holes were oriented at 270 degrees, slightly oblique to the perpendicular direction, however, many drill holes swung slightly south (to about 255 degrees) so became oriented perpendicular to strike. This is confirmed in structural logging of mineralised zones. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | No sampling bias is believed to have been introduced by this cause. |
| Sample security | The measures taken to ensure sample security. | Sample security is managed by the Company. After preparation in the field samples were packed into polyweave bags and despatched to the assay laboratory in Kalgoorlie. For a large number of samples, these bags were transported by the Company directly to the laboratory. In some cases, the samples were delivered to a transport contractor who then delivered the samples to the laboratory. The laboratory procedure is to audit the samples on arrival and report any discrepancies back to the Company. No such discrepancies occurred. |
| Audits or reviews | The results of any audits or reviews of sampling techniques and data. | Reviews of the sampling techniques and data were carried out by Optiro Pty Ltd as part of Mineral Resource estimates made for Camelwood in 2013 and for Musket in 2014, and by Mining One for this Mineral Resource estimate. The database is considered by Optiro and Mining One to be of sufficient quality to support the Mineral Resource estimate. In addition, from time to time, the Company carries out its own internal data audits. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Mineral tenement and land tenure status | Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. | The Camelwood deposit is located on the eastern boundary of Exploration and Prospecting Licenses E53/1318, P53/1496 and extends into E53/1716. Musket and Cannonball deposits are both located within E53/1318.<br><br>All of the tenements are 100% owned by Rox Resources Limited. |
| | The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. | The tenements are all in good standing and no known impediments exist. |
| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | Only incidental and immaterial exploration by other parties was undertaken in the Fisher East area prior to the exploration by Rox. |
| Geology | Deposit type, geological setting and style of mineralisation. | The Fisher East nickel sulphide mineralisation occurs within an Archaean komatiite system, bounded by basaltic rocks and felsic metasediments. Nickel sulphide mineralisation is mostly situated on the ultramafic - felsic contact. The rocks associated with the mineralisation are strongly talc-carbonate altered. The deposit is analogous to Kambalda style nickel sulphide deposits. At Camelwood the mineralisation contains minor conformable intrusions of barren diorite. |
| Drill hole Information | A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>easting and northing of the drill hole collar<br>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>dip and azimuth of the hole<br>down hole length and interception depth<br>hole length. | Drill hole collar coordinates, azimuths and dips, and drill hole intersections are listed in previous announcements (ASX:RXL 9 October 2013, 4 September 2014). |
| Data aggregation methods | In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. | All reported assay intervals have been length weighted. No top cuts have been applied. The interval reported were based on lithological logging of the drill core (see immediately below). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | Geological logging of RC samples and diamond drill core recognised three layers of sulphide within the deposits:<br>• highest grade mineralisation: massive and semi-massive sulphide;<br>• higher grade mineralisation: matrix and minor disseminated sulphide; and<br>• lower grade mineralisation: sparse disseminated sulphide.<br><br>The highest grade mineralisation tends to occur at the original base of the higher grade mineralisation which, in turn, tends to occur at the original base of the lower grade mineralisation. The boundaries interpreted between these layers of mineralisation were used because:<br>• the boundaries were evident visually to the geologists; this was particularly true for the boundary around massive/semi-massive sulphide;<br>• in practice, the grade intervals coincided well with the lithology logging;<br>• statistical analysis supported their use;<br>• if the boundaries were not to be applied, grades from the highest grade zone would smear out into the higher grade and lower grade zones with unwanted consequences for resource estimation and mine planning.<br><br>Use of these boundaries meant that aggregate intercepts did not incorporate short lengths of high grade results and longer lengths of low grade results. |
| | The assumptions used for any reporting of metal equivalent values should be clearly stated. | No metal equivalent values have been used or reported. |
| Relationship between mineralisation widths and intercept lengths | These relationships are particularly important in the reporting of Exploration Results.<br>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.<br>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). | The deposits are east dipping (see *Orientation of data in relation to geological structure* above). Drill hole were planned with azimuths of $270^0$ and dips between $-50^0$ and $-78^0$ degrees to the west. Given the angle of the drill holes and the dips of the host rocks and mineralisation, reported lengths of down hole intercepts will greater than true widths. |
| Diagrams | Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | Typical cross-sections through Camelwood and Musket are shown in Figures 2 & 3. |
| Balanced reporting | Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | All results have been reported (ASX:RXL 9 October 2013, 4 September 2014). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Other substantive exploration data | Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | All core samples were measured for bulk density using the water displacement method. Multi-element assaying on all samples was carried out for a suite of potentially deleterious elements such as arsenic and magnesium.<br><br>Geotechnical data was collected from all diamond drill holes including recovery and RQD. Structural information was recorded; structure type, thickness, lithology, and alpha/beta angles (dip and dip direction).<br><br>Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed consisting of three-stage crushing, grinding, flotation, concentrate handling and tailings disposal. Metallurgical recoveries from the testwork included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide. |
| Further work | The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).<br>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive | Numerous down-dip targets are located at depth especially beneath the Camelwood deposit and to the north of Musket where a significant down-hole electromagnetic conductor is present.<br><br>Likely extensions to both of these deposits are possible. However, the depth of these targets makes exploration very expensive and it is unknown when this drilling will occur. |

## Section 3 Estimation and Reporting of Mineral Resources

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Database integrity | Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. | Rox geologists used data templates with lookup tables and fixed formatting for recording logging and sampling data. Data transfer was via email with a copy sent to both the Company and the external database consultant. Sample numbers are unique and pre-numbered bags were used to minimise any potential errors. |
| | Data validation procedures used. | Data validation checks are run by Geobase, and they maintain a "master copy" of the database. The Company uses working copies which are provided by Geobase on a regular basis.<br><br>Upon receipt of and during the work for this resource estimate, Mining One made checks on the database, including checking that:<br>• drill holes plotted within the geographical limits of the Fisher East project;<br>• down-hole surveys were within the expected range;<br>• down-hole azimuths were in the correct range;<br>• there were no overlapping assay intervals;<br>• there were no overlapping lithology intervals;<br>• lithologies as plotted were consistent with Ni and S assays;<br>• assays used for grade estimation fell within appropriate mineralisation interpretations;<br>• Ni and S assays did not exceed the theoretical maxima for these elements given the mineral species present.<br><br>These checks revealed no anomalies. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Site visits | Comment on any site visits undertaken by the Competent Person and the outcome of those visits. | Mick McKeown, the Competent Person for this Mineral Resource estimate, visited the Fisher East site, inspected the project area, examined drill core and observed core logging and sampling. |
| | If no site visits have been undertaken indicate why this is the case. | Not applicable. |
| Geological interpretation | Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. | There is a high degree of confidence in the geological models of deposits, based on consistent stratigraphy in drill holes and highly correlatable lithologies and mineralisation boundaries. |
| | Nature of the data used and of any assumptions made. | Surveying of drill hole collars and drill hole paths, geological logging of RC chips and DD core and assay data were used to create the geological interpretation. |
| | The effect, if any, of alternative interpretations on Mineral Resource estimation. | There is a high degree of confidence in the geological models of deposits, based on consistent stratigraphy in drill holes and highly correlatable lithologies and mineralisation boundaries. |
| | The use of geology in guiding and controlling Mineral Resource estimation. | Geological logging of RC samples and diamond drill core recognised three layers of sulphide within the deposits:<br>• highest grade mineralisation: massive and semi massive sulphide;<br>• higher grade mineralisation: matrix and minor disseminated sulphide; and<br>• lower grade mineralisation: sparse disseminated sulphide.<br>The highest grade mineralisation tends to occur at the original base of the higher grade mineralisation which, in turn, tends to occur at the original base of the lower grade mineralisation. The boundaries interpreted between these layers of mineralisation were used because:<br>• the boundaries were evident visually to the geologists; this was particularly true for the boundary around massive/semi-massive sulphide;<br>• in practice, the grade intervals coincided well with the lithology logging;<br>• statistical analysis supported their use;<br>• if the boundaries were not to be applied, grades from the highest grade zone would smear out into the higher grade and lower grade zones causing over-estimation of grades. |
| | The factors affecting continuity both of grade and geology. | The principal factors determining the continuity of "grade and geology" are described in the immediately previous entry in this table. |
| Dimensions | The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource | From north to south the deposits are Camelwood, Cannonball and Musket. The three deposits are tabular in shape with thicknesses much less than their strike and dip extents. The deposits occur over a combined strike length of just under 3 kilometres.<br>Camelwood strikes at about 345$^{O}$ and dips at about -60$^{O}$ towards 075$^{O}$. The strike length of Camelwood is about 1400m and the known down-dip extent ranges from 100m to 500m.<br>Cannonball strikes at about 345$^{O}$ and dips at about -60$^{O}$ towards 075$^{O}$. The strike length of Cannonball is about 300m and the known down-dip extent ranges from about 80m to 350m.<br>Musket strikes at about 345$^{O}$ and dips at about -65$^{O}$ towards 075$^{O}$ and appears to plunge to the north at about 50$^{O}$. The strike length of Musket is about 500m and the known down-dip extent ranges from 100m to 450m. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Estimation and modelling techniques | The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. | Nickel and sulphur grades were estimated in the three mineralised zones described above:<br>• highest grade mineralisation: massive and semi massive sulphide;<br>• higher grade mineralisation: matrix and minor disseminated sulphide; and<br>• lower grade mineralisation: sparse disseminated sulphide.<br><br>At Camelwood and Musket all three zones are present; at Cannonball only the higher grade and lower grade zones are present.<br><br>The interpretation of the mineralisation did not extend further than 25m along strike beyond the last drilled section.<br><br>Surpac software was used for the resource estimate.<br><br>Samples were composited to 1m lengths. Grades were estimated in each zone using only samples from within the zone.<br><br>No top-cuts were applied because no rogue outlier grades were detected.<br><br>Grade continuity for Ni and S, as indicated from variography for the higher and lower grade zones, was high in the plane of the mineralisation, ranging from 90m to 230m.<br><br>Successful variography for Ni and S allowed for Ni and S grade estimation of the higher and lower grade zones using ordinary kriging. For the highest grade zones, the use of ordinary kriging was not possible and Ni and S grades were attributed to the blocks in these zones based on the average grades of nearest neighbour estimates of these zones.<br><br>Grade continuity for Ni and S, as indicated from variography for the higher and lower grade zones, was high in the plane of the mineralisation, ranging from 90m to 230m. |
| | The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. | Previous resource estimates were available for Camelwood and Musket. These estimates took appropriate account of the data and processes used to make those estimates. |
| | The assumptions made regarding recovery of by-products. | No recovery assumptions have been made regarding the recovery of by-products. |
| | Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). | S grades were estimated. |
| | In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. | Block models were created using a 10m E by 25m N by 5m RL parent block size with sub-celling to 0.625m E by 1.562m N by 0.312m RL to achieve reasonable three dimensional modelling of the mineralisation. Estimation was completed at the parent cell scale. The parent cell size in the north-south direction was about half the nominal cross-section spacing.<br><br>The size of the search ellipses were set to ensure that Ni and S grades were estimated for all blocks in the model; this required a maximum search distance of 300m. Density was estimated for each block based on the estimated S grade of the block. |
| | Any assumptions behind modelling of selective mining units. | No selective mining units were assumed in the estimate. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Any assumptions about correlation between variables. | Strong positive correlation was observed between nickel and density. A regression-based density value was estimated based on estimated Ni grade where density was not present. No noticeable correlation could be determined between other elements. Each element within each domain used the same sample selection routine, but a slightly different search ellipse (based on variogram range) for block grade estimation. |
| | Description of how the geological interpretation was used to control the resource estimates. | Samples in the drill hole database were flagged according to the zone in which the samples were interpreted.<br><br>Wireframes representing the three mineralised zones were created and blocks in the block model were flagged according to the zone wireframe in which they were located.<br><br>Checks were made to ensure that the grades of each zone were estimated using grades of samples from within the appropriate zone. |
| | Discussion of basis for using or not using grade cutting or capping. | No top-cutting was applied because no rogue outlier grades were detected. All high grade samples were accounted for within highest grade zone of massive and semi-massive sulphide. |
| | The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. | Validation of the block model tonnages included comparisons of volumes of the zone wireframes and blocks representing the zones in the block model.<br><br>Validation of grade estimates were made by comparing average global grades made by ordinary kriging with average global grades estimated by a nearest neighbour method, and average global grades based on the averages of composited grades. There was reasonable to excellent agreement among all average global grades.<br><br>Visual checks of estimated block grades against grades in nearby drill holes did not reveal any anomalies.<br><br>No mining has taken place and no reconciliation data exists from such a source. |
| Moisture | Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. | The tonnages were estimated on a dry basis. |
| Cut-off parameters | The basis of the adopted cut-off grade(s) or quality parameters applied | A cut-off grade of 1.0% Ni, at a nickel price of AUD$14,000 per tonne implies that material with a contained metal value of about AUD$140 could be treated at a profit, which seems reasonable. This was also the cut-off grade used for previous resource estimates. |
| Mining factors or assumptions | Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. | Mining studies in 2015 by CSA Global indicated that underground mining using decline access, trackless haulage and longhole open stoping was feasible at a cut-off grade of 1.0% Ni. No assumptions regarding the mining methodology have been built into the resource model. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| Metallurgical factors or assumptions | The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. | Beyond the assumption that nickel could be recovered using traditional treatment methods, no other assumptions regarding the metallurgical recovery have been built into the model. Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed by Strategic Metallurgy consisting of three-stage crushing, grinding, flotation, concentrate handling and tailings disposal. Metallurgical recoveries from the testwork included 97 to 100% recovery into 12% Ni concentrate from massive sulphide material and 74 to 81% recovery into 12% Ni concentrate from disseminated sulphide. |
| Environmental factors or assumptions | Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made | Beyond the assumption that tailings could be disposed of in a tailings dam, no other assumptions have been made regarding waste or process residue disposal. Based on comminution and flotation test work of samples from the key Fisher East deposits, a processing flowsheet has been proposed by Strategic Metallurgy consisting of three-stage crushing grinding, flotation, concentrate handling and tailings disposal.<br><br>A Level 1 vegetation and fauna assessment, an assessment of fauna habitat, and opportunistic fauna sightings were made by Outback Ecology. No threatened species were identified. Based on the analysis of habitat requirements and locations of previous records, it was considered that three Priority Flora species may occur in the Study Area. However, no vegetation communities were identified that are analogous to any Threatened Ecological Community or Priority Ecological Community nor any that were considered locally or regionally significant. |
| Bulk density | Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. | The sulphide content of the mineralisation determines the density of the mineralisation. Densities and S grades have been determined for drill core samples in the three deposits using:<br>• 1,284 samples for Camelwood,<br>• 79 samples for Cannonball, and<br>• 44 samples for Musket.<br><br>Bulk density was determined for diamond drill core samples using the water displacement method.<br><br>Graphs of density against % S for each deposit exhibit linear correlations with high correlation coefficients. Equations for calculating density from S grade were based on the results of the graphs for each deposit. Bulk densities in the mineralisation ranged from 2.8 to about 4.5 tonnes per cubic metre. |
| | The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit, | The water displacement method adequately accounts for void spaces in the rock. Since the diamond drill core samples are fresh rock there are no moisture issues. |
| | Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. | See above. |
| Classification | The basis for the classification of the Mineral Resources into varying confidence categories | Classification of the Mineral Resources was based on the geological continuity of the mineralisation. For parts of the deposits, where drilling intensity was adequate to reasonably reliably define the zone shapes and extents were classified as Indicated Mineral Resources: this was where the general drilling pattern was at a nominal 50m X 50m spacing.<br><br>Beyond the Indicated Mineral Resource, the resource was classified as Inferred. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). | Validation of the block model shows acceptable correlation of the input data to the estimated grades. The input data is comprehensive and no biases are believed to have been introduced. The geological model has a high degree of continuity and confidence. Infill drilling has confirmed this continuity. |
| | Whether the result appropriately reflects the Competent Person's view of the deposit. | The Mineral Resource estimate appropriately reflects the view of the Competent Persons. |
| Audits or reviews | The results of any audits or reviews of Mineral Resource estimates. | Satisfactory reviews of the resource estimates for this report were made by Mining One and Rox personnel. |
| | Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate | The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012 Edition).<br><br>The block models and resource estimates are suitable for planning and scheduling of medium to long-term production over periods such as yearly or quarterly. The block model is not suitable for selection of blocks at the time of mining – block selection at the time of mining will require more sampling during a grade control program. |
| | The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used | The statement relates to global estimates of tonnes and grade. |
| | These statements of relative accuracy and confidence of the estimate should be compared with production data, where available | No production data is available. |

## Competent Person Statements:

*The information in this report that relates to nickel Exploration Results for the Fisher East Project is based on information 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 the Mineral Resource for the Fisher East nickel sulphide deposits (viz. Camelwood, Cannonball and Musket) is based on information compiled by Mr Mick McKeown B.Sc. (Geology), Grad. Dip. Mining, M.Eng.Sci, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McKeown 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 McKeown is Senior Geologist/Mining Engineer at consulting firm Mining One Pty Ltd, 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 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 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. 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.*

## About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has three key assets at various levels of development with exposure to gold, nickel, zinc, lead, and copper, including the Mt Fisher Gold Project (WA), Myrtle/Reward Zinc-Lead Project (NT), and the Bonya Copper Project (NT).

### **Mt Fisher Gold-Nickel Project** (100% + Option to Purchase)

The Mt Fisher gold project is located in the highly prospective North Eastern Goldfields region of Western Australia and in addition to being well endowed with gold the project hosts strong nickel potential. The total project area is 675km$^2$, consisting of a 600km$^2$ area 100% owned by Rox and an Option to purchase 100% of a further 75km$^2$ of nickel and gold prospective ground.

Discovery of, and drilling at the Camelwood, Cannonball and Musket nickel prospects has defined a JORC 2012 Mineral Resource (ASX:RXL 4 February 2016) of **4.2Mt grading 1.9% Ni** reported at 1.0% Ni cut-off (Indicated Mineral Resource: 3.7Mt grading 1.9% Ni, Inferred Mineral Resource: 0.5Mt grading 1.5% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 78,000 tonnes of nickel. Higher grade mineralisation is present in all deposits (refer to ASX announcement above), and is still open at depth beneath each deposit. Additional nickel sulphide deposits continue to be discovered (e.g. Sabre) and these will add to the resource base. Exploration is continuing to define further zones of potential nickel sulphide mineralisation.

Drilling by Rox has also defined numerous high-grade gold targets and a JORC 2004 Measured, Indicated and Inferred Mineral Resource (ASX:RXL 10 February 2012) of **973,000 tonnes grading 2.75 g/t Au** reported at a 0.8 g/tAu cut-off exists for 86,000 ounces of gold (Measured: 171,900 tonnes grading 4.11 g/t Au, Indicated: 204,900 tonnes grading 2.82 g/t Au, Inferred: 596,200 tonnes grading 2.34 g/t Au) aggregated over the Damsel, Moray Reef and Mt Fisher deposits.

### **Reward Zinc-Lead Project** (49% + Farm-out Agreement diluting to 30%)

Rox has signed an Earn-In and Joint Venture Agreement with Teck Australia Pty Ltd. ("Teck") to explore its highly prospective 670km$^2$ Myrtle/Reward zinc-lead tenements, located 700km south-east of Darwin, Northern Territory, adjacent to the McArthur River zinc-lead mine.

The first deposit explored, Myrtle, has a current JORC 2004 zinc-lead Mineral Resource (ASX:RXL 15 March 2010) of **43.6 Mt @ 5.04% Zn+Pb** reported at a 3.0% Zn+Pb cut-off (Indicated: 5.8 Mt @ 3.56% Zn, 0.90% Pb; Inferred: 37.8 Mt @ 4.17% Zn, 0.95% Pb).

Drilling at the Teena zinc-lead prospect includes intersections of **38.8m @ 16.9% Zn+Pb, 26.4m @ 13.3% Zn+Pb,** and **20.1m @ 15.0% Zn+Pb**, and together with historic drilling has defined significant new high grade zinc-lead mineralisation over a strike length of at least 1.9km (ASX:RXL 5 August 2013, 26 August 2013, 18 September 2013, 11 October 2013, 27 October 2014, 10 November 2014, 15 December 2014, 29 September 2015, 9 November 2015, 17 November 2015, 17 December 2015). Teena is the most significant new discovery of zinc in Australia since Century in 1990.

Under the terms of the Agreement, Teck has earned a 51% interest, with Rox holding the remaining 49%. Teck has elected to earn a further 19% (for 70% in total) by spending an additional A$10m by 31 August 2018 (ASX:RXL 21 August 2013).

### **Bonya Copper Project** (51% + Farm-in Agreement to earn up to 70%)

Rox (51%) is exploring the Bonya Copper Project located 350km east of Alice Springs, Northern Territory, in joint venture with Arafura Resources Limited (49%) (ASX:ARU). Outcrops of visible copper grading up to 34% Cu and 27 g/t Ag are present, with the style of mineralisation similar to the adjacent Jervois copper deposits (see ASX:KGL). Drill testing has intersected visible copper mineralisation at three prospects, with massive copper sulphides intersected at the Bonya Mine prospect, including **38m @ 4.4% Cu** and **11m @ 4.4% Cu** (ASX:RXL 20 October 2014, 5 November 2014, 1 December 2014).

Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya after spending $500,000 (ASX:RXL 16 December 2014). Rox has elected to earn a further 19% (for 70% in total) by spending a further $1 million by 10 December 2016.