# ROX INCREASES NICKEL SULPHIDE RESOURCES OVER 100%

- **Fisher East nickel sulphide project mineral resource inventory increases by over 100%**
- **Total project mineral resource of 3.6 million tonnes grading 2.0% nickel containing 72,100 tonnes of nickel**
- **52% of nickel metal content in Indicated Mineral Resource category**
- **Maiden Musket Mineral Resource of 2.1Mt grading 1.8% nickel containing 37,500 tonnes of nickel**
- **Very high grade zone of 100,000 tonnes grading 10.1% nickel at Musket**
- **Mineralisation open at depth and along strike**
- **Excellent exploration potential for more nickel sulphide resources to be defined**

Rox Resources Limited (**ASX: RXL**) ("**Rox**" or "**the Company**") is pleased to advise that it has completed the maiden August 2014 Mineral Resource estimate for the Musket nickel sulphide deposit.

The Musket mineral resource estimate comprises **2.1 million tonnes at 1.8% nickel** containing **37,500 tonnes of contained nickel.** Encouragingly 64% of the Musket resource estimate sits in the higher confidence Indicated Mineral Resource category, using a 1.0% nickel lower cut-off (Table 1).

At a higher cut-off grade of 2.5% nickel the Mineral Resource contains **10,100 tonnes of nickel** with approximately 75% in the Indicated Mineral Resource category (Table 2). The resource at this higher cut-off grade is **100,000 tonnes at 10.1% nickel**.

Total project resources (Musket + Camelwood) now stand at **3.6 million tonnes at 2.0% nickel** containing **72,100 tonnes of contained nickel**. Indicated resources account for 52% of the total resource.

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**Projects:**

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

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

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

Rox Managing Director, Mr Ian Mulholland commented *"This maiden resource estimate for Musket demonstrates the continued prospectivity of the Fisher East nickel sulphide belt, and now builds the overall project resources to a total of more than 72,000 tonnes of contained nickel at a grade of 2.0% nickel".*

*"Musket contains a very high grade core of approximately 100,000 tonnes grading 10.1% nickel which lies close to surface and would be an obvious economic driver for any planned development. The high percentage of the resource in the Indicated category is indicative of the good continuity of the mineralisation."*

*"We previously stated that deposits of the style of Camelwood do not typically occur in isolation, and we proved that by discovering Musket. We have a strong ground position with the potential to discover a lot more nickel and continue to significantly grow the project resource base."*

*"Our discovery cost so far has been around 4.2 cents/lb of nickel, which is one of the lowest in the world."*

In further commentary Rox Chairman, Mr Jeff Gresham, stated *"This is another example of the great work being done by the Rox team. This is now the second deposit discovered, intensively drilled, and brought to the resource estimate stage within nine months of the first drill hole."*

*"Exploration and evaluation of the Fisher East nickel project is still at an early stage and I am confident that with further exploration and drilling the overall project nickel resources will continue to be significantly increased. Both the Musket and Camelwood deposits remain open at depth and along strike, and in addition, recent drilling at the Cannonball prospect produced a very encouraging intersection of 3m @ 4.7% Ni. I believe that further drilling is all that is required to significantly expand these resources."*

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's database was audited by nickel sulphide specialist consultants Optiro Pty Ltd ("Optiro"), who also estimated the Mineral Resource in accordance with the JORC Code (2012 Edition) – see Appendix. A summary of the information used in the Mineral Resource Estimate follows.

The Musket deposit is part of the Mt Fisher project and is located approximately 500 km north of Kalgoorlie in Western Australia. Musket is a nickel sulphide deposit hosted in an overturned sequence of felsic and ultramafic (plus mafic) units within a belt of arcuate greenstone units. Primary mineralisation consists of pyrrhotite + pentlandite + pyrite sulphides in massive, semi-massive or disseminated forms. The overall deposit style is similar to the Kambalda nickel sulphide deposits in Western Australia.

The Musket discovery was announced on 3 October 2013. Since then the deposit has been sampled by reverse circulation (RC) and diamond drilling (DD) on an east-west grid pattern ranging from 40 m by 40 m to 80 m by 80 m. A total of 19 RC holes (3,750 m) and 14 DD holes (4,782 m) were used to define the resource. Holes were generally angled towards the west at between -50° to -78° in order to optimally intersect the mineralisation. Currently mineralisation has been defined as steeply north plunging tabular zones, extending over a strike of 400 m and up to 400 m down-dip. The deposit is open along strike and at depth, and is similar in style to the Camelwood deposit located 1.9km to the north. The thickness of the mineralisation is variable, ranging from 1.0 m to 10 m. The deposit is situated beneath a veneer of transported clays and deeply weathered gossan, while the sulphide mineralisation starts from about 100m below surface.

The main lithological units at Musket are a felsic hangingwall, ultramafic host and mafic footwall, all of which form an overturned package that strikes 345° and is moderately dipping (-65°) to the east. The

mineralisation is hosted within the ultramafic, immediately adjacent to the felsic (hangingwall) contact. Sulphide mineralisation has been modelled into disseminated, semi-massive and massive sulphide domains, based on lithological logging and geochemical assays. Two domains were modelled using 0.5% Ni and 4.5% Ni cut-off grades that appear to correlate well with the disseminated/matrix and semi-massive/massive mineralisation boundaries (respectively). A number of felsic & mafic intrusives have been modelled within the felsic hangingwall unit but these do not impinge on the mineralisation to any significant degree. No major structural offsets are observed at Musket.

For the purpose of the grade estimation, all mineralised samples were composited to 1 m intervals, using a best fit method, and weighted by both length and density. Where density measurements were absent, a density regression calculation against nickel grade was applied. No top-cut values were applied to the data.

Optiro generated a single block model with a parent cell size of 5 mE by 25 mN by 5 mRL, with sub-celling down to 0.625 mE by 1.562 mN by 0.312 mRL for narrow domain volume resolution. The estimate was completed in Surpac Version 6.6.1 using Ordinary Kriging. Seven elements were estimated; Ni (%), As (ppm), S (%), Fe (%), Pt (ppb), Pd (ppb) and Mg (%), as well as specific gravity. All estimates were completed at the parent cell scale. Validation of the block model shows acceptable correlation of the input data to the estimated grades.

Grade continuity of the mineralisation at Musket is good, with a range of 170 m in the major direction in the nickel variogram. The size of the search ellipse was set to the range of the variogram for each element in the first pass to improve the local estimate. The search ellipsoids were set to between 107-200 m in the major direction, to 40-100 m in the semi-major direction, and 3-14 m in the minor direction. Three search passes were used for each domain. A minimum of 8 samples and a maximum of 32 samples were used in the first and second passes. Hard boundaries were used between each of the two mineralisation domains (0.5 % Ni and 4.5 % Ni). Different search ellipsoids were used for each, and were defined both by variography and overall domain geometry.

The Musket mineralisation has demonstrated sufficient continuity in both geology and grade to support the definition of an Indicated Mineral Resource and Inferred Mineral Resource in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code, 2012 edition). Indicated Mineral Resources were classified using a nominal drilling density of 40 m by 40 m to 50 m by 50 m, well defined geological and grade continuity and a high level of confidence in the interpreted volume and extents of the mineralisation. In the case of Inferred Mineral Resources, the criteria used a drilling density of greater than 50 m by 50 m and a lower confidence in the geological continuity and volume definition (Figure 1). In practical terms this translates to the edges of the resource model. Approximately 7 % of the total resource has been extrapolated (i.e. the nickel has been estimated in search pass three), with minimal extrapolation distances beyond drillholes.

Optiro carried out a site visit to the Mount Fisher Project (Fisher East area) on 22-23 July 2013. Mark Drabble (Principal Consultant), who is acting as Competent Person, inspected the area covering the Camelwood and Musket deposits, along with the core logging and sampling facilities.

**ENDS**

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**Table 1: Musket Mineral Resource reported at a 1.0% nickel cut-off**

| | Musket Mineral Resource - August 2014 | | |
|---|---|---|---|
| | Tonnes (Mt) | Grade | Contained Metal |
| | | Ni % | Nickel (kt) |
| **Indicated Mineral Resource** | | | |
| Indicated | 1.2 | 2.0 | 24.0 |
| Inferred | 0.9 | 1.5 | 13.5 |
| **Total** | **2.1** | **1.8** | **37.5** |

**Table 2: Musket Mineral Resource reported at a 2.5% nickel cut-off**

| | Musket Mineral Resource - August 2014 | | |
|---|---|---|---|
| | Tonnes (Mt) | Grade | Contained Metal |
| | | Ni % | Nickel (kt) |
| **Indicated Mineral Resource** | | | |
| Indicated | 0.08 | 10.0 | 7.6 |
| Inferred | 0.02 | 10.5 | 2.5 |
| **Total** | **0.10** | **10.1** | **10.1** |

**Table 3: Combined Camelwood-Musket Mineral Resource Estimate at 1.0% Cut-Off Grade**

| Deposit | Category | Tonnes (Mt) | Grade | Contained Metal |
|---|---|---|---|---|
| | | | Ni% | Nickel (kt) |
| **Musket** | Indicated | 1.2 | 2.0 | 24.0 |
| | Inferred | 0.9 | 1.5 | 13.5 |
| | **Total** | **2.1** | **1.8** | **37.5** |
| **Camelwood** | Indicated | 0.6 | 2.4 | 13.8 |
| | Inferred | 1.0 | 2.1 | 20.8 |
| | **Total** | **1.6** | **2.2** | **34.6** |
| **TOTAL** | Indicated | 1.8 | 2.1 | 37.8 |
| | Inferred | 1.9 | 1.8 | 34.3 |
| | **Total** | **3.6** | **2.0** | **72.1** |

*Note: Figures may not add up exactly due to rounding errors.*
*The Camelwood Mineral Resource was previously reported, ASX:RXL 3 October 2013*

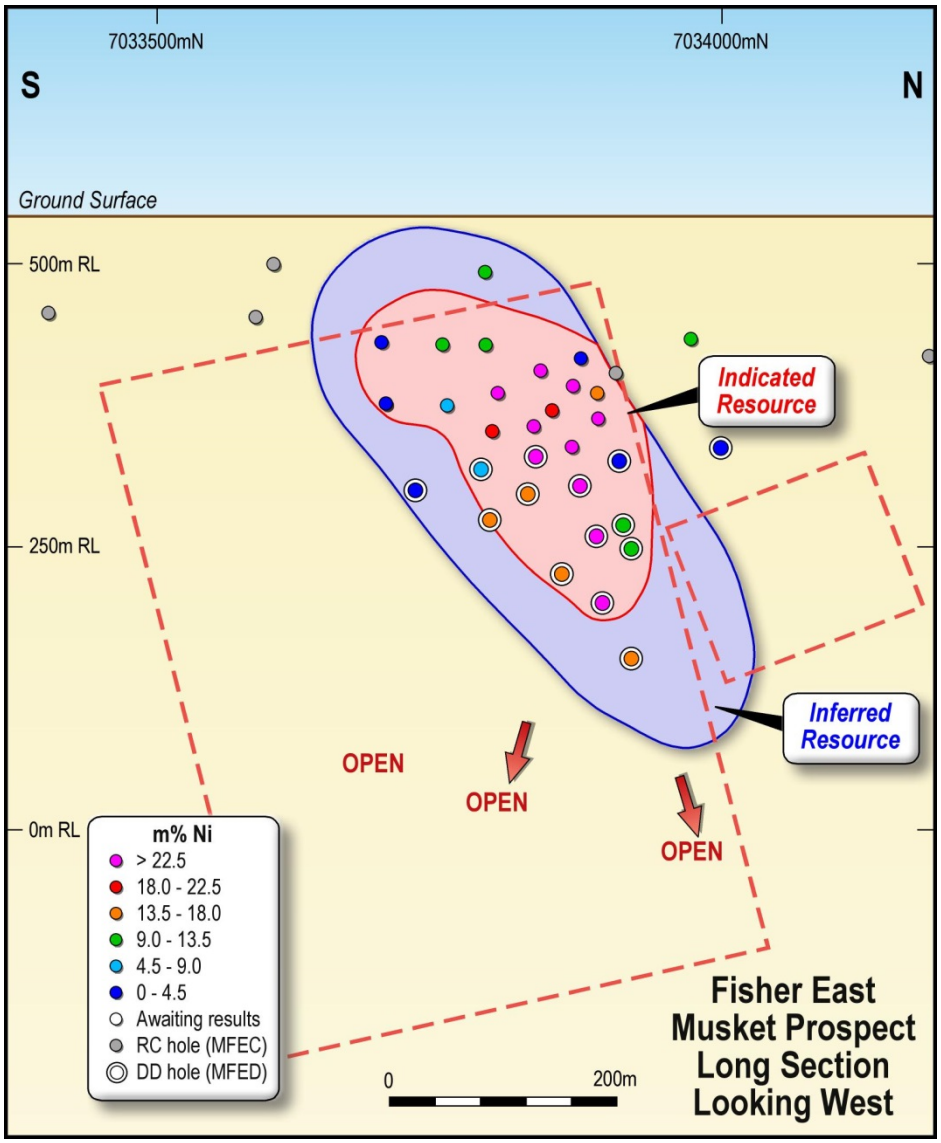


*Figure 1: Musket Prospect Drill Long Section showing Resource Categories (Red = Indicated, Blue = Inferred)*

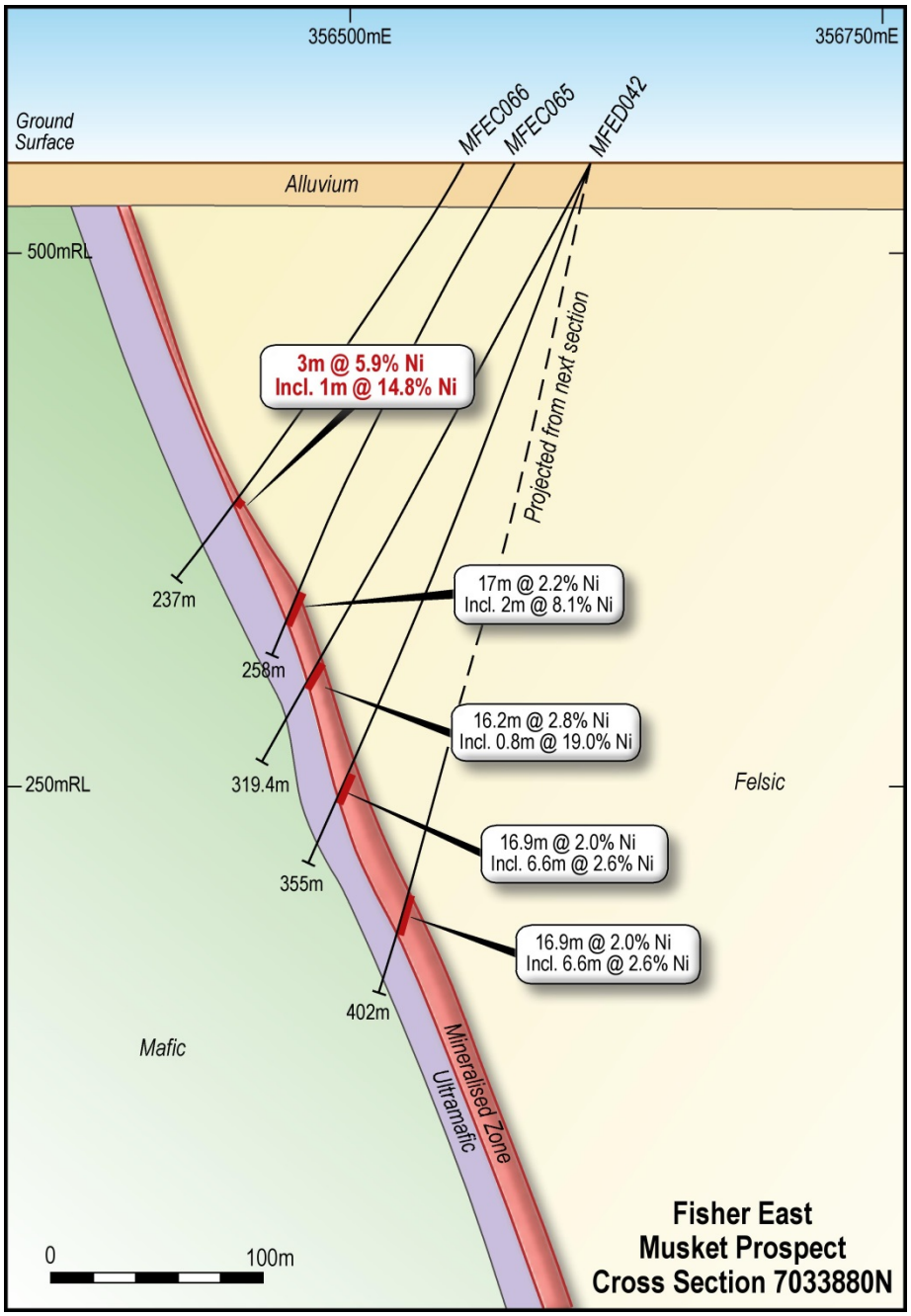


*Figure 2: Cross Section 7033880N through the Musket deposit*

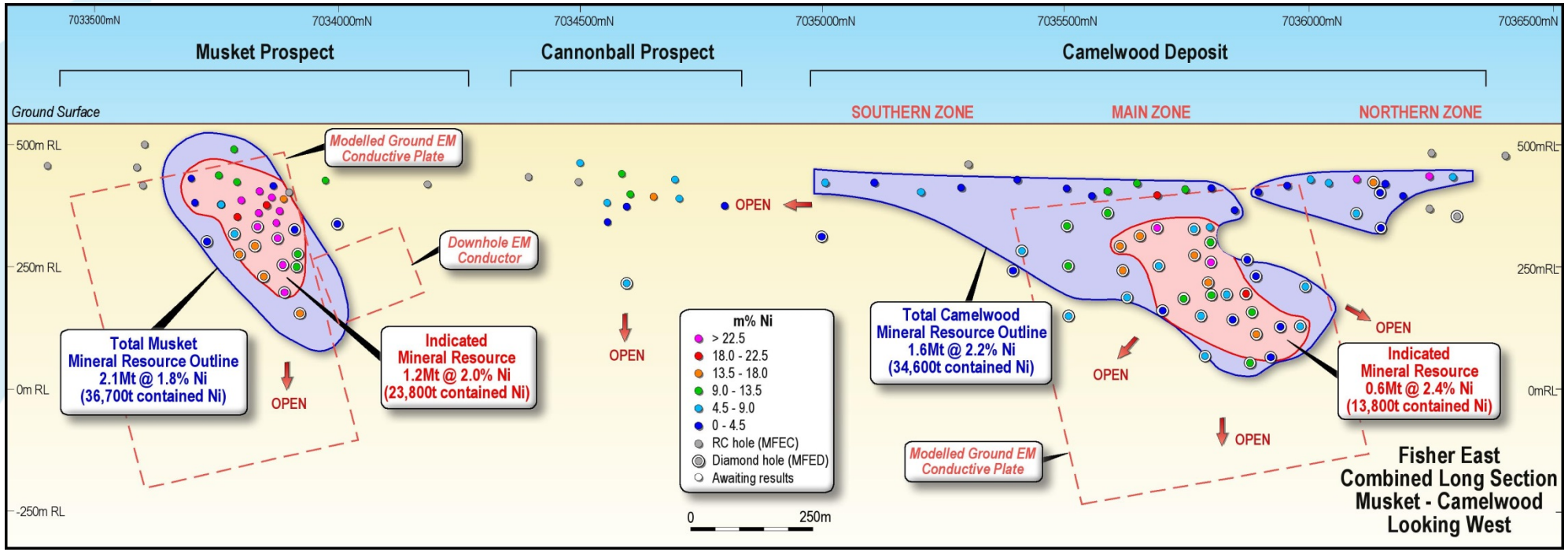


*Figure 3: Camelwood-Musket Long Section showing Mineral Resource Outlines*

**Table 4: Musket Mineral Resource Estimate at Various Cut-Off Grades**

| Ni% cut-off | Category | Tonnes (Mt) | Grade | | Contained Metal |
|---|---|---|---|---|---|
| | | | Ni% | S% | Nickel (kt) |
| **0.5** | Indicated | 1.3 | 1.9 | 5.2 | 25.0 |
| | Inferred | 0.9 | 1.5 | 3.9 | 14.1 |
| | **Total** | **2.2** | **1.8** | **4.6** | **39.1** |
| **1.0** | Indicated | 1.2 | 2.0 | 5.4 | 24.0 |
| | Inferred | 0.9 | 1.6 | 4.1 | 13.5 |
| | **Total** | **2.1** | **1.8** | **4.8** | **37.5** |
| **1.5** | Indicated | 0.6 | 2.9 | 7.0 | 15.9 |
| | Inferred | 0.1 | 3.4 | 6.9 | 4.1 |
| | **Total** | **0.7** | **3.0** | **7.0** | **20.0** |
| **2.0** | Indicated | 0.13 | 6.9 | 12.6 | 8.6 |
| | Inferred | 0.02 | 10.5 | 16.6 | 2.5 |
| | **Total** | **0.15** | **7.4** | **13.2** | **11.2** |
| **2.5** | Indicated | 0.08 | 10.0 | 16.4 | 7.6 |
| | Inferred | 0.02 | 10.5 | 16.6 | 2.5 |
| | **Total** | **0.10** | **10.1** | **16.5** | **10.1** |
| **3.0** | Indicated | 0.08 | 10.0 | 16.4 | 7.6 |
| | Inferred | 0.02 | 10.5 | 16.6 | 2.5 |
| | **Total** | **0.10** | **10.1** | **16.5** | **10.1** |
| **3.5** | Indicated | 0.08 | 10.0 | 16.4 | 7.6 |
| | Inferred | 0.02 | 10.5 | 16.6 | 2.5 |
| | **Total** | **0.10** | **10.1** | **16.5** | **10.1** |

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

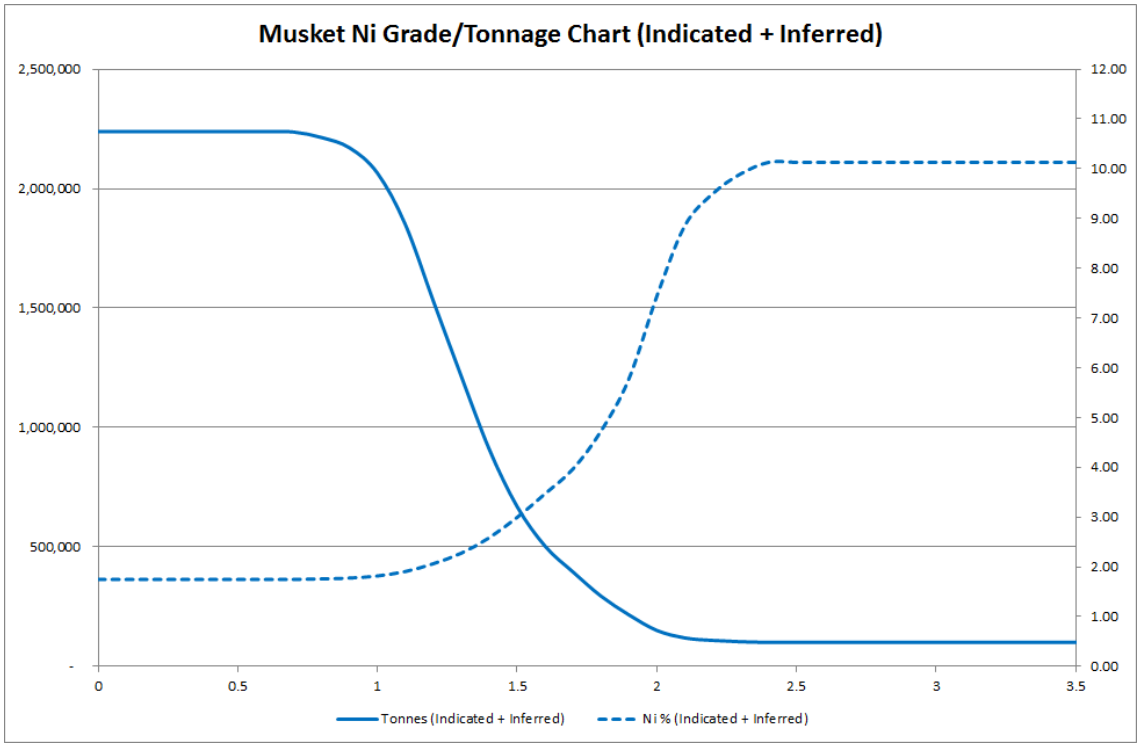


*Figure 4: Grade Tonnage Curve Based on Data listed in Table 4*

## Table 5: Musket Diamond Drilling Results

| Hole | East | North | Depth (m) | Dip | Azimuth | From (m) | To (m) | Interval | Ni% | m% |
|---|---|---|---|---|---|---|---|---|---|---|
| MFED042 | 356611 | 7033879 | 319.4 | -62 | 268 | 264.7 | 279.7 | 15.0 | 2.72 | 40.8 |
| *Including* | | | | | | *264.7* | *265.6* | *0.9* | *19.5* | |
| MFED043 | 356611 | 7033879 | 355.0 | -68 | 275 | 305.1 | 321.3 | 16.2 | 2.84 | 46.0 |
| *Including* | | | | | | *305.1* | *305.9* | *0.8* | *19.0* | |
| MFED044 | 356620 | 7033840 | 292.0 | -59 | 270 | 248.0 | 263.9 | 15.9 | 2.12 | 33.7 |
| *Including* | | | | | | *252.2* | *262.4* | *10.2* | *2.60* | |
| MFED045 | 356620 | 7033840 | 307.0 | -66 | 266 | 268.0 | 277.2 | 9.2 | 1.87 | 17.2 |
| MFED046 | 356670 | 7033800 | 330 | -56 | 266 | 265.2 | 265.5 | 0.3 | 13.3 | 8.5 |
| And | | | | | | 270.0 | 272.9 | 2.9 | 1.57 | |
| MFED047 | 356670 | 7033800 | 350 | -63 | 268 | 295.6 | 303.0 | 7.4 | 1.90 | 14.1 |
| *Including* | | | | | | *295.6* | *297.0* | *1.4* | *2.50* | |
| *Including* | | | | | | *299.9* | *303.0* | *3.1* | *2.24* | |
| MFED048 | 356600 | 7033920 | 352.2 | -70 | 270 | 311.5 | 321.1 | 9.6 | 1.22 | 11.7 |
| *Including* | | | | | | *311.5* | *314.0* | *2.5* | *2.10* | |
| MFED049 | 356600 | 7033920 | 401.8 | -78 | 248 | 352.1 | 369.0 | 16.9 | 2.03 | 34.3 |
| *Including* | | | | | | *358.0* | *364.6* | *6.6* | *2.59* | |
| MFED050 | 356700 | 7033880 | 401.6 | -61 | 262 | 361.0 | 368.7 | 7.7 | 1.79 | 13.9 |
| *Including* | | | | | | *363.0* | *366.0* | *3.0* | *2.37* | |
| MFED052 | 356515 | 7034000 | 249.1 | -69 | 270 | 220.8 | 220.9 | 0.1 | 1.72 | 0.2 |
| MFED053 | 356600 | 7033920 | 285.7 | -58 | 266 | 257.0 | 257.8 | 0.8 | 4.04 | 3.2 |
| MFED054 | 356600 | 7033919 | 321.9 | -67 | 270 | 298.5 | 301.3 | 2.8 | 4.49 | 12.6 |
| *Including* | | | | | | 298.8 | 299.5 | 0.7 | 14.6 | |
| MFED055 | 356680 | 7033760 | 313.9 | -63 | 259 | 275.9 | 276.0 | 0.1 | 5.17 | 0.5 |
| MFED056 | 356752 | 7033958 | 507.6 | -62 | 261 | 456.6 | 465.3 | 8.7 | 1.58 | 13.7 |
| *Including* | | | | | | *456.6* | *456.8* | *0.2* | *5.44* | |

All Diamond drill holes have been reported previously to the ASX (28 April 2014, 6 May 2014, 27 May 2014 and 10 July 2014).

## Table 6: Musket RC Drilling Results

| Hole | East | North | Depth (m) | Dip | Azimuth | From (m) | To (m) | Interval | Ni% | m% |
|---|---|---|---|---|---|---|---|---|---|---|
| MFEC034 | 356530 | 7033411 | 127 | -60 | 270 | NSR | | | | |
| MFEC035 | 356484 | 7033605 | 104 | -60 | 270 | NSR | | | | |
| MFEC036 | 356463 | 7033793 | 144 | -60 | 270 | 55 | 64 | 9 | 1.32 | 11.8 |
| MFEC037 | 356469 | 7033994 | 159 | -60 | 270 | 129 | 132 | 3 | 3.13 | 9.4 |
| *including* | | | | | | *129* | *131* | *2* | *4.01* | |
| MFEC040 | 356528 | 7033800 | 150 | -60 | 270 | 129 | 136 | 7 | 1.84 | 12.9 |
| MFEC041 | 356555 | 7033595 | 116 | -60 | 270 | NSR | | | | |
| MFEC046 | 356500 | 7033900 | 180 | -60 | 270 | NSR | | | | |
| MFEC047 | 356555 | 7033700 | 143 | -60 | 270 | 126 | 127 | 1 | 1.04 | 1.0 |
| MFEC048 | 356570 | 7033800 | 216 | -60 | 270 | 176 | 189 | 13 | 1.93 | 25.0 |
| *including* | | | | | | *180* | *185* | *5* | *2.55* | |
| MFEC055 | 356610 | 7033800 | 248 | -60 | 270 | 220 | 231 | 11 | 1.77 | 19.4 |
| *including* | | | | | | *225* | *228* | *3* | *2.35* | |
| MFEC056 | 356550 | 7033750 | 158 | -60 | 270 | 127 | 133 | 6 | 1.49 | 9.0 |
| MFEC057 | 356592 | 7033753 | 208 | -60 | 270 | 188 | 189 | 3 | 1.54 | 4.6 |
| MFEC058 | 356606 | 7033706 | 208 | -60 | 270 | 185 | 186 | 1 | 1.34 | 1.3 |
| MFEC059 | 356592 | 7033847 | 243 | -60 | 270 | 214 | 231 | 17 | 2.22 | 37.7 |
| *including* | | | | | | *214* | *218* | *4* | *3.19* | |
| *including* | | | | | | *215* | *216* | *1* | *6.23* | |
| *and* | | | | | | *225* | *229* | *4* | *2.50* | |
| MFEC064 | 356554 | 7033851 | 218 | -60 | 270 | 191 | 205 | 14 | 1.52 | 21.3 |
| MFEC065 | 356577 | 7033881 | 258 | -57 | 270 | 227 | 244 | 17 | 2.17 | 36.9 |
| *including* | | | | | | *227* | *235* | *8* | *3.34* | |
| *including* | | | | | | *227* | *229* | *2* | *8.14* | |
| MFEC066 | 356553 | 7033892 | 237 | -55 | 276 | 189 | 192 | 3 | 5.88 | 17.6 |
| *including* | | | | | | *190* | *191* | *1* | *14.8* | |
| MFEC067 | 356544 | 7033836 | 200 | -60 | 277 | 161 | 178 | 17 | 2.06 | 35.0 |
| *including* | | | | | | *161* | *162* | *1* | *8.89* | |
| MFEC070 | 356451 | 7034101 | 177 | -60 | 271 | 154 | 155 | 1 | 1.08 | 1.1 |
| MFEC071 | 356550 | 7033889 | 203 | -55 | 259 | 178 | 182 | 4 | 8.43 | 33.7 |
| *including* | | | | | | *178* | *180* | *2* | *14.7* | |
| MFEC072 | 356560 | 7033889 | 228 | -62 | 277 | 205 | 210 | 5 | 8.39 | 42.0 |
| *including* | | | | | | *206* | *209* | *3* | *12.1* | |
| *including* | | | | | | *206* | *207* | *1* | *20.7* | |
| MFEC073 | 356610 | 7033605 | 171 | -60 | 273 | NSR | | | | |
| MFEC074 | 356505 | 7033885 | 170 | -60 | 259 | 142 | 143 | 1 | 3.63 | 3.6 |
| MFEC078 | 356537 | 7033834 | 179 | -60 | 260 | 155 | 165 | 10 | 2.25 | 22.5 |

All RC Drill holes have been reported previously to the ASX (6 March 2014, 27 March 2014, 17 July 2014, 31 July 2014, 10 August 2014).

Notes to Tables:

- Grid coordinates GDA94: Zone 51, collar positions determined by hand held GPS.
- All holes nominal RL 542 +/- 1m AHD estimated from regional Digital Elevation Model.
- Hole azimuths generally planned as 270 degrees, downhole deviations result in hole paths slightly different to those intended.
- RC drilling (hole prefix MFEC) by reverse circulation face sampling hammer, then 1 metre samples cone split and bagged.
- Diamond drilling (hole prefix MFED) by HQ/NQ diamond core, with core cut in half and sampled to either significant geological boundaries or even metre intervals.
- Diamond drill samples weighed in water and air to determine bulk density, and then crushed to 6.5mm. 3-5kg sample preparation by pulp mill to nominal P80/75um.
- Ni analysis by Intertek Genalysis Perth method 4A/OE: Multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids in Teflon Tubes. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. For higher precision analyses (e.g. Ni > 1%), Intertek Genalysis Perth method 4AH/OE: Modified (for higher precision) multi-acid digest including Hydrofluoric, Nitric, Perchloric and Hydrochloric acids. Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry.
- Certified Reference Standards and field duplicate samples were inserted at regular intervals to provide assay quality checks. Review of the standards and duplicates are within acceptable limits.
- Cut-off grade for reporting of 1% Ni with up to 2m of internal dilution allowed.
- Given the angle of the drill holes and the interpreted 60-65 degree easterly dip of the host rocks, reported intercepts will be slightly more than true width.

## Appendix

The following information is provided to comply with the JORC (2012) requirements for the reporting of the Musket Mineral Resource estimate on tenement E53/1318.

## 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 Musket deposit has been sampled in 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 (DD) drillholes. The core size is dominantly NQ2 size diameter. The summary of drilling used in the Mineral Resource is 19 RC holes for 3,750m and 14 DD holes for 4,781.85m. Holes were angled towards grid west at varying angles 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* | Drillhole locations were picked up by a licensed surveyor for holes MFED042 to MFED056 and RC holes MFEC036 to MFEC065. The remaining holes have been picked up by Rox using a GPS unit with an accuracy of 1m. 1m RC samples were collected by a cone splitter. Diamond core drilling was logged for lithology, structure, alteration, geotechnical and other attributes. The Rox sampling protocols and QAQC have been reviewed by Optiro and are as per industry best practice procedures. |
| | *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 cut into half, or quarter for HQ holes. RC drillholes 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 uses CRM's, blanks, splits and replicates, along with 10% repeats. |
| **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 104m to 258m.<br>DD hole diameter was NQ2 with HQ pre-collar and upper hole portions. Hole depths range from 249.1m to 507.6m. The core was orientated using a Camtech orientation tool. Pre-collars for diamond holes were drilled using a roller bit and reamed to HW casing size. |
| **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. |
| | *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 are measured and checked against marked depths on the core blocks.<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 in the Mineral Resource estimate come from both RC and diamond core drilling, both of which had high recoveries. There is no observable relationship between recovery and grade, and therefore no sample bias. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **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, RQD, structures etc. which included structure type, dip, dip direction, alpha angle, beta angle, texture, fill material, and this data is stored in the 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 (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 on site using a core saw. All samples 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.* | The sample preparation followed industry best practice. 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 only taken at an approximate 1:50 ratio using the same sampling techniques (i.e. cone splitter) and inserted into the sample run. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The 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. |
| | *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 drillholes 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 are transferred to Geobase Pty Ltd for data verification and loading into the database. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.* | Initial drill hole surveying was carried out by a licensed surveyor (Phil Richards), for holes MFED042-056 and MFEC034-065. Subsequent surveying was undertaken by the Company using a Digital GPS unit. |
| | *Specification of the grid system used.* | The grid system is MGA_GDA94, zone 51 for easting, northing and RL. |
| | *Quality and adequacy of topographic control.* | The topographic surface was generated from drill collar surveys and also digital terrain models generated from low level airborne geophysical surveys. |
| **Data spacing and distribution** | *Data spacing for reporting of Exploration Results.* | The nominal drill hole spacing is 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 mineralisation and geology showed very good continuity from hole to hole and is sufficient to support the definition of a Mineral Resource or Ore Reserve and the classifications contained in the JORC Code (2012 Edition). |
| | *Whether sample compositing has been applied.* | No sample compositing has occurred for diamond core drilling. Sample intervals are based on geological boundaries with even one metre samples between.<br>For RC samples, sample compositing occurred over 4 metre intervals for non-mineralised material, but all mineralised zones were sampled at a one metre interval. |
| **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 deposit strikes at about 345 degrees and dips to the east at between -60 to -65 degrees. The drill orientation was planned to be 270 degrees, so slightly oblique to the perpendicular direction, however, many drill holes swung slightly south (to about 255 degrees) so were drilling essentially perpendicular to strike. This is confirmed in structural logging of mineralised zones. |
| | *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. |
| **Sample security** | *The measures taken to ensure sample security.* | Sample security is managed by the Company. After preparation in the field samples are packed into polyweave bags and despatched to the laboratory. For a large number of samples these bags were transported by the Company directly to the assay laboratory. In some cases the sample were delivered to a transport contractor who then delivered the samples to the assay laboratory. The assay laboratory audits the samples on arrival and reports 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.* | A review of the sampling techniques and data was carried out by Optiro as part of the Mineral Resource estimate. The database is considered by Optiro 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. | Musket is located within Exploration License E53/1318.<br>Rox Resources holds an option to purchase E53/1318 which is held by Gerard Victor Brewer. |
| | The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence 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. | No previous exploration has been done at the Musket prospect. |
| **Geology** | Deposit type, geological setting and style of mineralisation. | The geological setting is of Archaean aged komatiite system, bounded by hangingwall basaltic rocks and footwall felsic metasediments. Mineralisation is mostly situated at the (eastern) basal ultramafic - felsic contact. The rocks are strongly talc-carbonate altered. Metamorphism is mid-upper Greenschist. The deposit is analogous to Kambalda style nickel sulphide deposits. |
| **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. | Refer to drill results Tables 5 & 6 and the Notes attached thereto. |
| **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. A nominal cut-off of 0.5% was applied with up to 2m of internal dilution allowed in the low grade zone. A nominal 4.5% cut-off was applied in the high grade zone with up to 1m of internal dilution. |
| | 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. | High grade massive sulphide intervals internal to broader zones of mineralisation are reported as included intervals. |
| | 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 mineralisation at Musket is moderately east dipping throughout the deposit. Drillhole azimuths are planned at $270^0$ and are inclined between $-50^0$ and $-78^0$ degrees. Given the angle of the drill holes and the interpreted $-60^0$ dip of the host rocks and mineralisation, reported intercepts will be more than true width. |
| **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. | Refer to Figures 1 to 3. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **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 are reported. |
| **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>Geotechnical data was collected from all diamond drillholes including recovery and RQD. Structural information was recorded; structure type, thickness, lithology, and alpha/beta angles (dip and dip direction). |
| **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 | Further work is being planned for extensional diamond drilling at Musket.<br>Metallurgical testwork is currently being carried out on both massive and disseminated ore types. |

## 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. | Data templates with lookup tables and fixed formatting were used for logging and sampling data recording. Data transfer is via email with a copy sent to both the Company and the external database consultant. Sample numbers are unique and pre-numbered bags are used. These procedures 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. |
| **Site visits** | Comment on any site visits undertaken by the Competent Person and the outcome of those visits. | Mark Drabble, who is acting as Competent Person for the Mineral Resource estimate visited the Mt Fisher site on 22-23 July 2013 and inspected the area covering the Camelwood and Musket deposits, along with the core logging and sample preparation facilities. |
| | 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 model of the Musket deposit, based on consistent stratigraphy in drill holes and highly correlatable rock units and mineralisation. The nickel sulphide mineralisation consistently occurs at the basal contact of an ultramafic flow with the footwall felsic sediment. |
| | Nature of the data used and of any assumptions made. | Petrography and lithogeochemistry have been used to assist in the identification and characterisation of the rock units. |
| | The effect, if any, of alternative interpretations on Mineral Resource estimation. | The geological model is consistent with the Camelwood deposit (along strike to the north) and no alternative interpretations of geology are plausible. Infill drilling has supported the continuity of the geological model. |
| | The use of geology in guiding and controlling Mineral Resource estimation. | The key geological control on the Mineral Resource estimate is the logging of massive versus disseminated sulphide zones. This was a critical factor in domaining the mineralisation so that assay smoothing across this resource "hard boundary" did not occur. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | The factors affecting continuity both of grade and geology. | There was good continuity of grade domains (indicated by the nickel variogram range of 170 metres in the major direction) and geological domains. Great care was taken to properly domain the sulphide mineralisation types (massive vs. disseminated) as described above. |
| **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 | The mineralisation at Musket extends over a 400 metre strike length, starting at about 70-100 metres below ground surface (below the completely oxidised zone) and has been drilled to over 400 metres depth. The deposit is still open along strike and at depth. Drilling has penetrated adequately on both sides of the mineralised zone to define it well. |
| **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 mineralisation at Musket was modelled as two domains using nickel grade cut-offs and geology: a low grade domain at a 0.5% Ni cut-off and a high grade domain within the massive sulphide lithology unit, which had a nominal cut-off of 4.5% Ni. Grade estimation was completed using Ordinary Kriging (OK) using Surpac v6.6.1 software. Seven elements were estimated: Ni%, S%, As (ppm) Fe (ppm), Mg (ppm), Pt (ppb) Pd (ppb), and specific gravity. Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and oxidation surfaces. Sample data was composited downhole to 1 m intervals using a best fit method, and was weighted by length and density. A regression technique was used to assign density values where measurements were unavailable for compositing. Intervals with no assays were excluded from the compositing routine, and intervals with below detection results were reset to half detection values. There were no extreme samples, so top-cutting was not performed. Variography was completed in 3D space using the composites within the low grade domain only due to the small number of samples in the high grade domain. Directional variograms were modelled using normal scores transformations. Nugget values ranged from 0.04 for Fe to 0.36 for Pd. Grade continuity was variable depending on the element and ranged from 107 m to 200 m in the major direction. |
| | The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. | This is the maiden Mineral Resource for the Musket deposit. No previous mining activity has taken place. |
| | The assumptions made regarding recovery of by-products. | No recovery assumptions have been built into the model. |
| | Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). | The non-grade elements estimated are S (ppm), As (ppm), Fe (ppm), Mg (ppm), Pt (ppb) and Pd (ppb). |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. | A single block model for Musket was constructed using a 5 mE by 25 mN by 5 mRL parent block size with sub-celling to 0.625 mE by 1.562 mN by 0.312 mRL for domain volume resolution. Estimation was completed at the parent cell scale. Kriging neighbourhood analysis used on the Camelwood deposit was used as the basis of block size, search distances and sample numbers. The east-west block dimension at Musket was reduced to 5 mE in order to better define the thinner portion of the high grade ore zone. During estimation, block discretisation was set to 2 E by 5 N by 2 Z for all domains.<br>The size of the search ellipse was set to the range of the variogram for each element in the first pass to improve the local estimate. The search ellipse was set to 107-200 m in the major direction, by 40-100 m in the semi-major direction, by 3-14 m in the minor direction. Three search passes were used for each domain. A minimum of 8 samples and a maximum of 32 samples were used in the first and second passes. The search distance in the second pass was increased to twice the variogram range. In the third pass, the search range was set to 1,000 m to ensure all blocks were estimated, and the minimum number of samples was reduced to 2 samples. Both measured and calculated density values were used in the estimation and used to calculate tonnages. A calculated density based on Ni grades and a Ni/density regression formula was used to create density values where they did not exist.<br>Overall, 73% of the resource was estimated in the first pass, 20% in the second pass, and 7% in the third pass. The pass number, kriging efficiency, and slope of regression were all used as the basis of resource classification.<br>Hard boundaries were used between each of the two mineralisation domains. Different search ellipsoids were used for each, and were defined both by variography and overall domain geometry. |
| | Any assumptions behind modelling of selective mining units. | No selective mining units were assumed in the estimate. |
| | 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. | The mineralisation interpretation was based on the 3D geological interpretation combined with grade data. A low grade domain was interpreted based on a 0.5% Ni cut-off. A high grade domain was interpreted at a 4.5% Ni cut-off. The grade shells correlated well with the disseminated and massive units respectively. |
| | Discussion of basis for using or not using grade cutting or capping. | Statistical analysis showed the populations in each domain at Musket to generally have a low coefficient of variation (CV), and no extreme outliers were observed. Top cutting was not performed for any elements. |
| | The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. | Validation of the block model included a volumetric comparison of the resource wireframes to the block model volumes to within 0.2%. Validation of the estimate included comparing the block model grades to the declustered input data using a series of tables and swath plots showing north, easting and elevation comparisons. Visual validation of grade trends and metal distribution was also carried out. No mining has taken place, therefore no reconciliation data is available for comparison. |
| **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 are estimated on a dry basis. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Cut-off parameters** | The basis of the adopted cut-off grade(s) or quality parameters applied | A nominal grade cut-off of 0.5% Ni was used to define the mineralisation envelope for the low grade domain. This correlates well with the geological logging of the disseminated mineralisation. A 4.5% Ni cut-off value was used to create the high grade domain, which correlates with the massive and semi-massive material. |
| **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. | No assumptions regarding the mining methodology have been built into the model. |
| **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. | No assumptions regarding the metallurgical recovery have been built into the model. |
| **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 | No assumptions have been made regarding waste or process reside disposal. |
| **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. | Bulk density was determined on diamond drill core by the assay laboratory using the water displacement method. Estimated density values range from 3.0 t/$m^3$ to 4.2 t/$m^3$.<br>A total of 384 out of 817 mineralised samples (before compositing) were missing density measurements. These were RC samples. Where no density data existed a regression formula was used to assign the density to be used in weighting of the data composites. The regression formula was generated from comparing nickel grades and density values for the Main domains only. The formula used is: SG_R = 0.0778 x Ni(%) + 2.97. Bulk density was been estimated from density measurements and calculated regression density values for both domains . Estimated density values range from 2.96 t/$m^3$ to 4.07 t/$m^3$. |
| | 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. The regression formula above used for the RC samples would account for any moisture, so sensitivity to these issues is considered low. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. | See notes above. |
| **Classification** | The basis for the classification of the Mineral Resources into varying confidence categories | The Mineral Resource at Musket has been classified as Indicated and Inferred. The Indicated Resource is based on a nominal 40 m by 40 m to 50 m by 50 m spaced drill pattern, along with good confidence in the geological (volume) and grade continuity of the mineralisation. Areas where the drill spacing is greater than 50 m by 50 m have been classified as Inferred and exhibit lower confidence in the estimate of grade, specific gravity and volume of the mineralisation. |
| | 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. | This is the maiden Musket Mineral Resource estimate. The resource was reviewed by Optiro and Rox personnel. No external resource review has been completed. |
| | 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). See above note on the classification of the Mineral Resource into varying confidence categories. |
| | 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 Mt Fisher 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 Musket nickel sulphide deposit is based on information compiled by Mr Mark Drabble B.App.Sci (Geology), MAusIMM, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drabble 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 Drabble is Principal Consultant Geologist – Optiro 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 the Mineral Resource for the Camelwood nickel sulphide deposit was reported to the ASX on 3 October 2013. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 3 October 2013, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 3 October 2013 continue to apply and have not materially changed.*

*The information in this report that relates to 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, and 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mulholland is a full time employee 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.*

# About Rox Resources

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

## **Mt Fisher Gold-Nickel Project** (100% + Option to Purchase $3.6 million)

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 655km$^2$, consisting of a 485km$^2$ area 100% owned by Rox and an Option to purchase 100% of a further 170km$^2$.

Recent drilling at the Camelwood nickel prospect has defined a JORC 2012 Mineral Resource (ASX:RXL 3 October 2013) of **1.6Mt grading 2.2% nickel** reported at 1.0% Ni cut-off (Indicated Mineral Resource: 0.6Mt grading 2.4% Ni, Inferred Mineral Resource: 1.0Mt grading 2.1% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 34,600 tonnes of nickel. A higher grade core of **520,000 tonnes grading 3.1% nickel** reported at a 2.5% Ni cut-off (Indicated Mineral Resource: 240,000 tonnes grading 3.2% Ni, Inferred Mineral Resource: 280,000 tonnes grading 3.0% Ni) is present. The mineralisation is still open in all directions. The nickel Mineral Resource occurs partly on tenements under Option to Purchase to Rox, with an exercise price payable as follows: $1.1 million by 30 June 2014, $0.2 million by 31 December 2014, and $2.3 million by 30 June 2015.

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 gold** 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)

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 Myrtle zinc-lead deposit has a current JORC 2004 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).

Recent drilling at the Teena zinc-lead prospect intersected **26.4m @ 13.3% Zn+Pb** including **16.2m @ 17.2% Zn+Pb, and 20.1m @ 15.0% Zn+Pb** including **12.5m @19.5% Zn+Pb**, and together with historic drilling has defined significant high grade zinc-lead mineralisation over a strike length of at least 1.5km.

Under the terms of the Agreement, Teck has now met the expenditure requirement for a 51% interest, with Rox holding the remaining 49%. Teck has elected to increase its interest in the project to 70% by spending an additional A$10m (A$15m in total) by 31 August 2018 (ASX:RXL 21 August 2013).

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

In October 2012 Rox signed a Farm-in Agreement with Arafura Resources Limited to explore the Bonya Copper Project located 350km east of Alice Springs, Northern Territory. Outcrops of visible copper grading up to 34% Cu and 27 g/t Ag are present. Under the Agreement Rox can earn a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya by spending $500,000 within the first two years. Rox can then elect to earn a further 19% (for 70% in total) by spending a further $1 million over a further two years. Once Rox has earned either a 51% or 70% interest it can form a joint venture with Arafura to further explore and develop the area.