MD on Camelwood drilling results update

Open Briefing interview with MD Ian Mulholland

Rox Resources Limited
Level 1
30 Richardson Street
West Perth WA 6005

Rox Resources Limited (ASX: RXL) is an Australian multi-commodity exploration company with four key projects: the Mt Fisher gold project in Western Australia, the Reward zinc-lead project, Bonya copper project and Marqua phosphate project all located in the Northern Territory.

Market capitalization: $32 million

In this Open Briefing®, Ian discusses

- Camelwood drill results
- Deeper EM conductor drilling
- Comparison with other WA nickel sulphide deposits

Record of interview:

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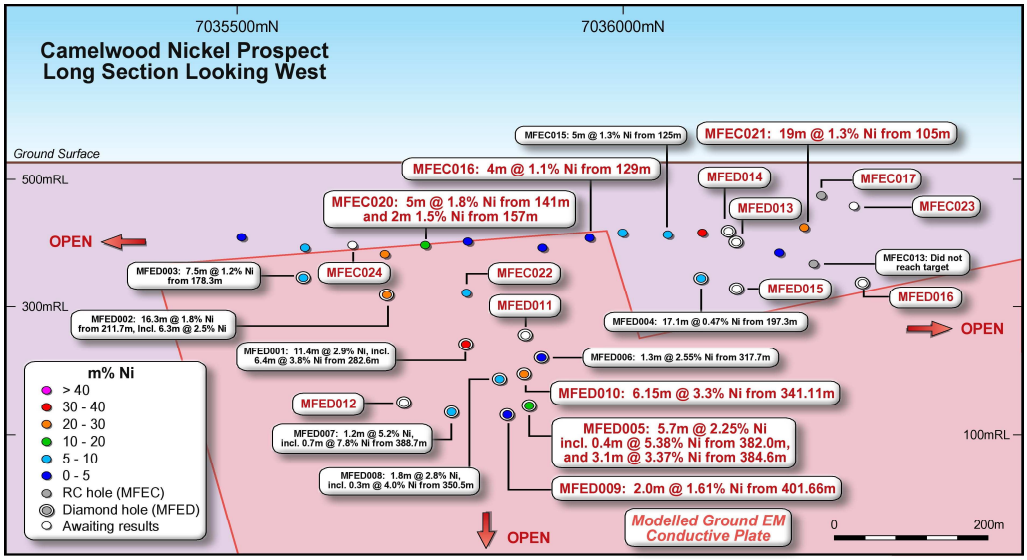
Rox Resources Limited (ASX: RXL) recently announced results from reverse circulation (RC) drilling at the Camelwood nickel sulphide project at Fisher East (RXL 100%), 450km north east of Kalgoorlie, with best results including 6.15m at 3.3% Ni from a depth of 342m and 19m at 1.3% Ni from a depth of 105m. What is the significance of these deeper results?

MD Ian Mulholland
The deeper result of 6.15m at 3.3% Ni shows that there are still economic widths of economic grade mineralisation at this depth, so the whole mineralised system is still open: at depth, along strike and down plunge. The Camelwood conductor has been surveyed down to 700m below surface, which is the depth to which the electromagnetic (EM) survey can see from the surface.



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How many further drill holes are planned for the current campaign and at what depth will you be targeting the conductor? Is this style of conductor and its mineralisation comparable to other nickel sulphide deposits in Australia?

MD Ian Mulholland
We don't have a set number of holes to drill in the current campaign. We'll keep drilling while we're still getting good results of the sort we've been getting so far. We'll certainly drill as deep as we can go if we continue to find mineralisation, to at least 700m and possibly deeper.

Most nickel sulphide systems like Camelwood (e.g. Kambalda, Cosmos, Forrestania) go much deeper than 700m. For example at Kambalda they have drilled mineralisation down to well over 1,500m depth and mining has taken place down to over 1,000m. If you look at a typical Kambalda style deposit (e.g. Lanfranchi, Long, Mariners) they are contained within lava channels that can trend anywhere from sub-vertical (e.g. Lanfranchi and Mariners) to sub-horizontal (e.g. Long, Miitel, Mariners). And within those lava channels you get pools of sulphides, so there is enormous variability throughout the ore bodies. Camelwood will probably be like this and we just have to do the drilling to find out.

In addition, surface EM only tells you part of the story. It probably has depth limitations and a much better idea can be gained from down-hole EM, however you have to drill holes to be able to do down-hole EM, and we haven't done that much drilling yet. That will be the key to defining the potential of Camelwood and it's still early days.

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Given the mineralisation is still open along strike, is there any indication from drilling so far that the ore body thickness is consistent and maintained along the strike extension? When will this drilling campaign be completed and results available?

MD Ian Mulholland
Our drilling is starting to define the shape and dimensions of the mineralisation, but it's still very early days. We've only drilled 10 holes deeper than 200m below surface so far. The main zone of mineralisation looks like it extends for about 600m along strike and there is a further 200m to the north where the mineralisation thins and may be restricted at depth. While the mineralisation in this northern zone is thin, perhaps 1m to 2m thick, it's very high grade, exceeding 5% Ni in places.

In the main zone the thickness of mineralisation seems to vary quite a lot, possibly reflecting a lava channel-type control or some other structural type of control. It occurs up to 11.4m thick in hole MFED001, and some 200m down plunge it's still over 6m thick in hole MFED010.

Our drilling on the northern extension is probably finished for the present, and results should be available in two to three weeks. However, we will be continuing to drill on the main zone, both along strike and at depth, so there will be a lot more drilling information being produced over the next three months at least. Drilling will continue as long as we're getting encouraging results.

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The next stage of exploration at Fisher East may include further drilling of EM targets at Silverbark and Corktree that are near Camelwood. Is it typical to find nickel sulphide mineralisation such as this in clusters (camps) and does the EM modelling give you any indication that these targets are similar to Camelwood?

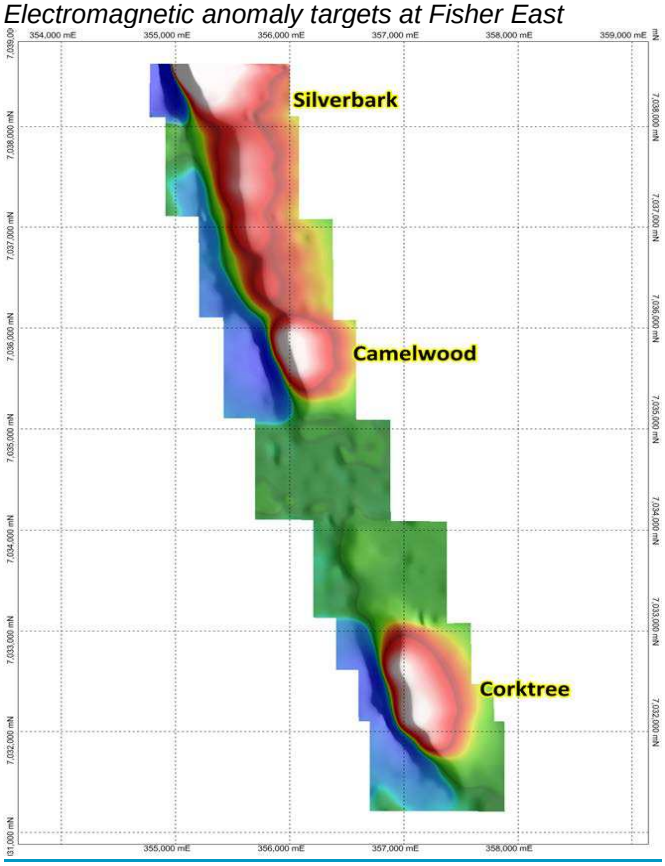
MD Ian Mulholland
It's typical to find nickel sulphide mineralisation in camps, such as at the Kambalda, Forrestania or Perseverance mines for example. It's probably too early to say whether we

have such a camp at Fisher East, since a camp usually emerges over a number of years as new discoveries are progressively made.

We're particularly encouraged by the recent announcement of the Venus nickel sulphide deposit discovery near Leinster by BHP Billiton. There have also been a number of new discoveries in the last five years in the Kambalda district. It just goes to show that even at very mature camps like Leinster and Kambalda that have been mined for more than 40 years, new discoveries are being made all the time.

The EM anomalies along strike, both north and south of Camelwood indicate the potential for a camp, but they'll need thorough testing (more than just one or two drill holes) before we'll know. Each of these nickel sulphide camps has been the making of several significant companies, so Fisher East is a great opportunity for Rox if there are more deposits like Camelwood. The EM modelling seems to indicate similarities, but there are other factors such as stratigraphy, magnetics and structure that might all play at part.

Electromagnetic anomaly targets at Fisher East



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What more work is required at Fisher East, such as infill and extension drilling, before you can begin feasibility studies?

MD Ian Mulholland
Our first task was to demonstrate that we had the potential for a commercial discovery at Camelwood. I think we're near to that if you compare what we've achieved at Camelwood with some other significant nickel sulphide deposits, such as those at Kambalda, Cosmos, Perseverance or Forrestania.

The next task is to quantify our discovery so that some economics can be put around it. We're still some way off that, since it will require a lot more detailed drilling, including infill and deeper drilling.

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Given the Fisher East exploration results so far, how are you now prioritising development activities across your portfolio, which includes the Myrtle/Reward Zinc-Lead Project (RXL 49% under an initial farm-out agreement with Teck Australia for 51%), the Bonya Copper Project (RXL 51% under an initial farm-in agreement with Arafura Resources) and the Marqua Phosphate Project (RXL 100%)?

MD Ian Mulholland
We're obviously concentrating on Fisher East at present. However, we haven't forgotten the strong potential that our tenements at Mt Fisher have for gold, and we plan to continue further exploration this year. We were awarded some government funding through the Exploration Incentive Scheme to drill two of our gold targets this year.

Teck manages and funds the work at our Reward Zinc-Lead project where we have two main prospects, Myrtle and Teena. Teck is planning a major diamond drilling campaign of up to 4,500m at Teena this year, which should get underway by late May. The budget for this work is going to be close to $2 million.

We farmed into the Bonya copper project in the Northern Territory because we recognised the potential for copper deposits of the Jervois style. Other explorers in the region like Kidman Resources and Kentor Gold have been getting strong exploration results, and that encourages us too. We're planning some exploration work this year, which should include some drilling.

We're looking for a partner to help us progress the Marqua project, since we can't do everything ourselves. Phosphate is a commodity where it's better to have a partner who is a producer or marketer of phosphate fertilisers and is looking for a reliable supply of raw material.

This is only the start of our story.

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Thank you Ian.

For more information about Rox Resources, visit www.roxresources.com.au or call Ian Mulholland on (+61 8) 6380 2988

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The information in this report that relates to Exploration Results and Mineral Resources 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.