



ROX
RESOURCES

Fisher East Nickel Sulphide Project, WA

Rox Resources Limited
Australian Nickel Conference
20 October 2016

Rox in a Nutshell



➤ Advanced Nickel Sulphide Project – Fisher East

- ❖ Resource of 78,000t (172 Mlb) of contained nickel, **4.2 Mt @ 1.9% Ni¹**
- ❖ Potential to increase resources with a number of high quality targets

➤ Sale of Reward Project interest for \$20.6 million

- ❖ \$8 million cash
- ❖ Either \$3.6 million in Marindi equivalent shares, or \$2.6 million cash
- ❖ \$5.25 million convertible redeemable note
- ❖ \$3.75 million deferred payment (after 6 years or BFS)

➤ Nickel-Gold Project Acquisition - Collurabbie

- ❖ 5.8m @ 3.0% Ni, 2.0% Cu, 5.3g/t PGE

➤ Gold Resources – Mt Fisher

- ❖ Strong potential to increase current resources of **86,000 ozs¹**
- ❖ \$10M JV with Doray Minerals

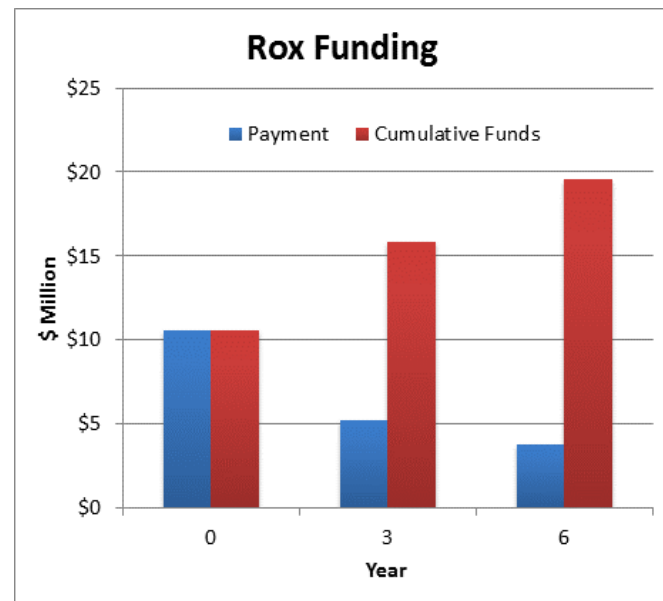
➤ Experienced, Successful & Recognised Management Team



¹ See Appendix for Mineral Resource details

Well Funded

Cash at Bank	Now	\$1.5m
Cash Payment	3 Months	\$8.0m
Shares	3 Months	\$3.6m
Convertible Note	3 Years	\$5.25m
<u>Deferred Payment</u>	<u>6 Years</u>	<u>\$3.75m</u>
<u>TOTAL</u>		<u>\$22.1m</u>



Company Snapshot



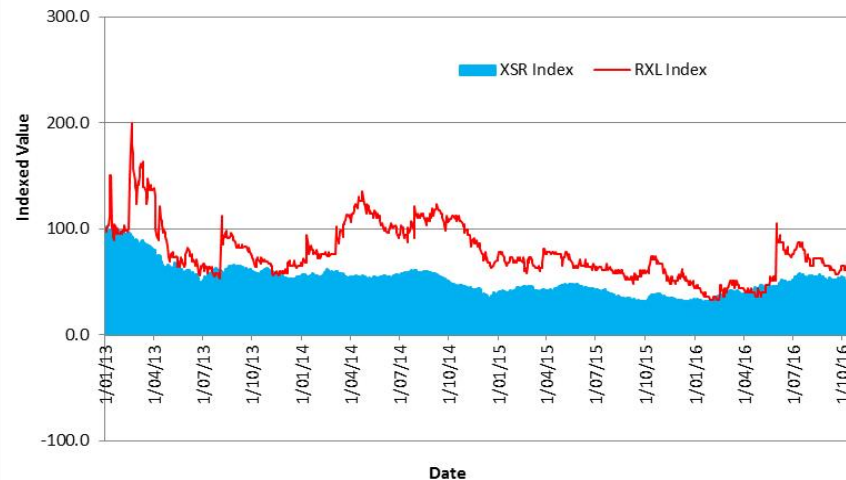
Rox Capital Structure (19 Oct 2016)

ASX Code:	RXL
Issued Shares:	1,236.3 m
Unlisted Options:	62.0 m (<i>various 2.7c to 8.0c</i>)
Market Cap:	\$22.3 m (<i>at 1.8c</i>)
Cash:	\$1.5 m (<i>as at 30 June 2016</i>)

Experienced Board & Management

Stephen Dennis Non-Exec Chairman	Operations/Commercial: Major and Mid-Tier
Ian Mulholland Managing Director	Geology/Corporate: Major, Mid-Tier & Juniors
Brett Dickson Finance Director	Finance/Corporate: Mid-Tier & Juniors
Will Belbin Exploration Manager	Geology: Mid-Tier & Juniors

Small Resources XSR Index vs. RXL Index

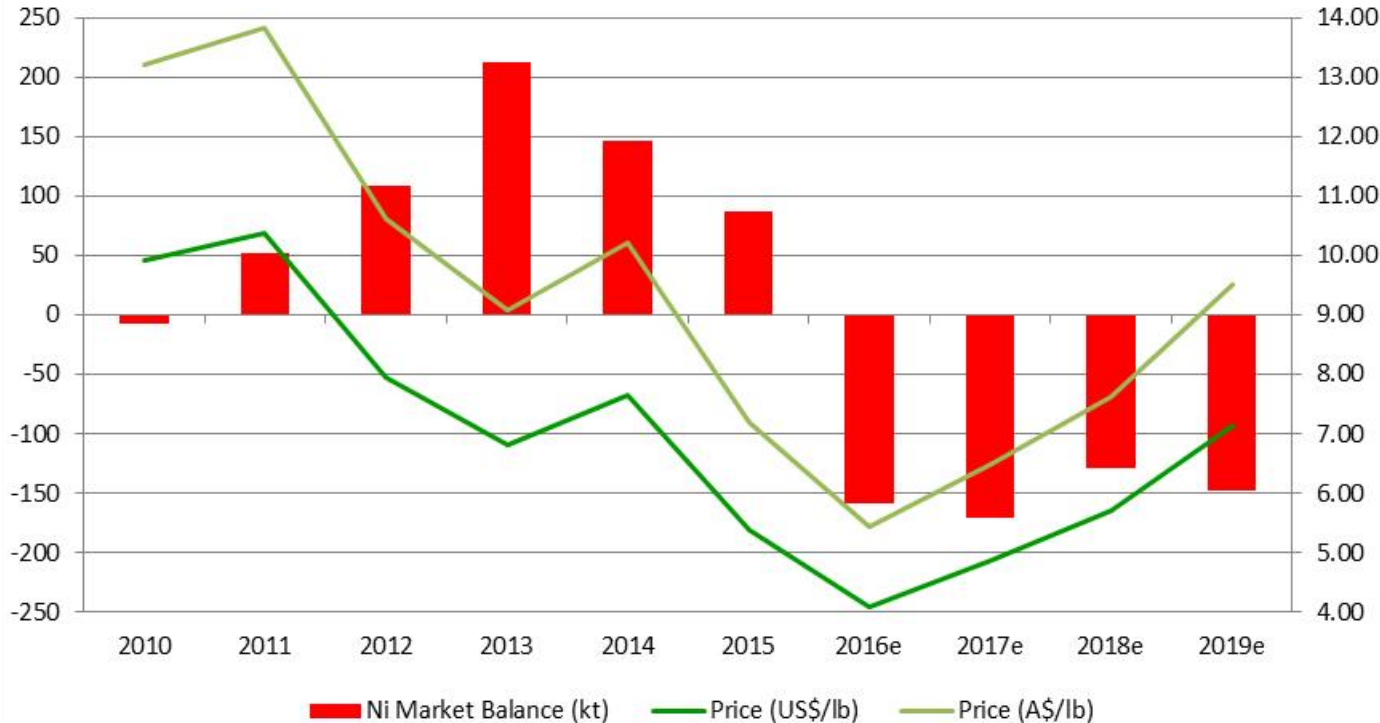


Major Shareholders (19 Oct 2016)

Ramco Investments (Australia)	4.0%
Drake Private Investments (New York)	3.3%
Yangang (Hong Kong)	2.7%
Directors	2.5%
Top 20	25.5%
Number of Shareholders	3,740

Nickel Market

Nickel Market Balance and Price



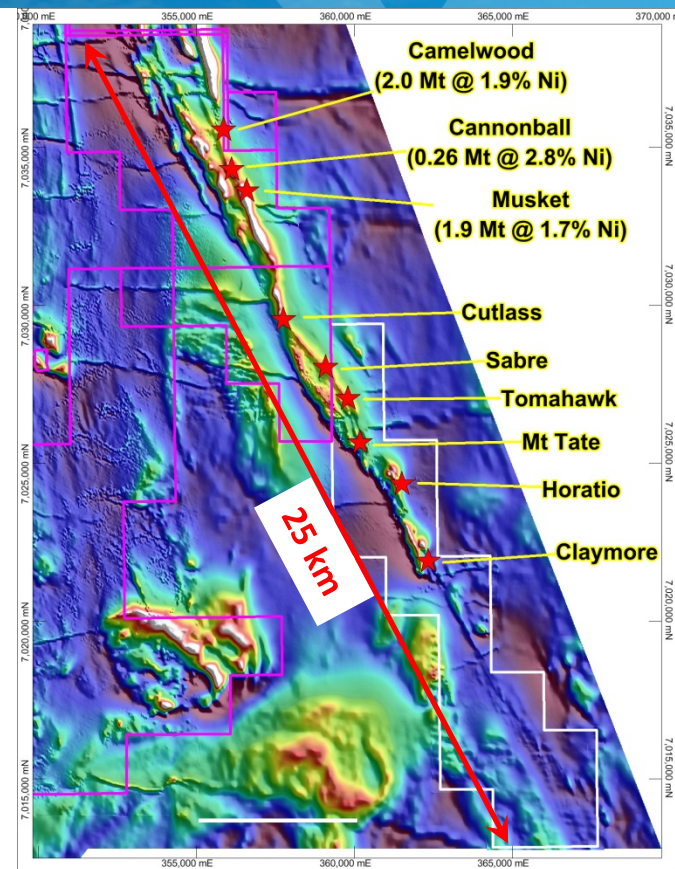
- Nickel supply predicted to go into deficit
- Supply out of The Philippines in doubt
- Pressure on nickel price

Fisher East Nickel

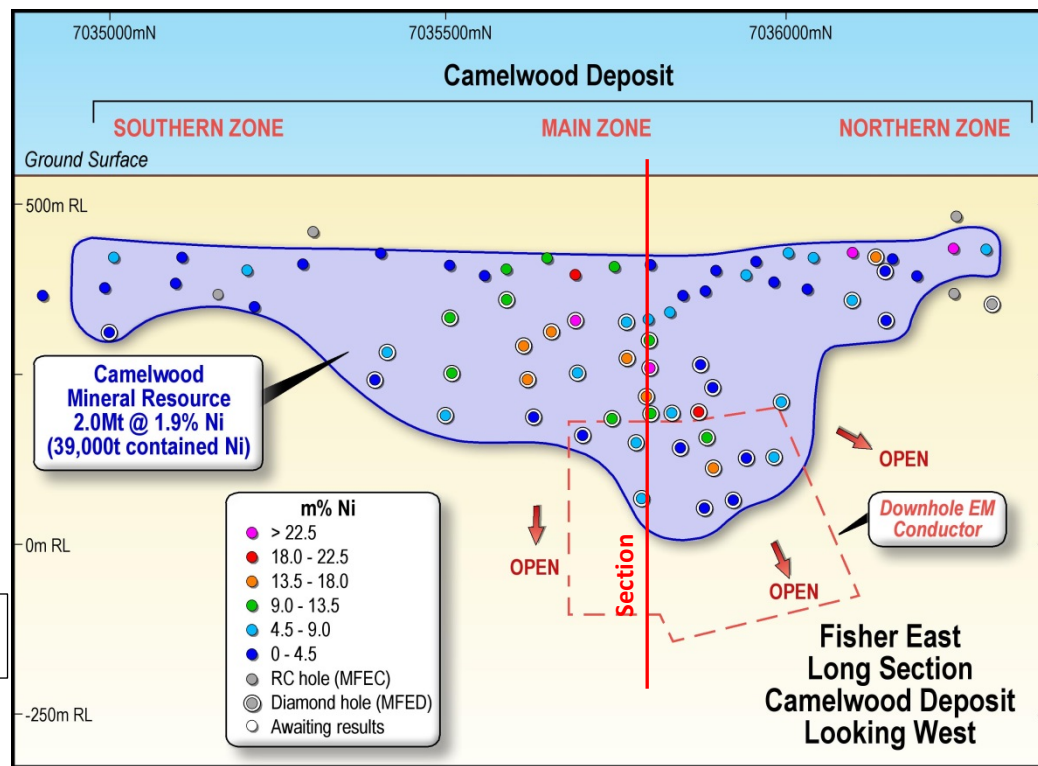
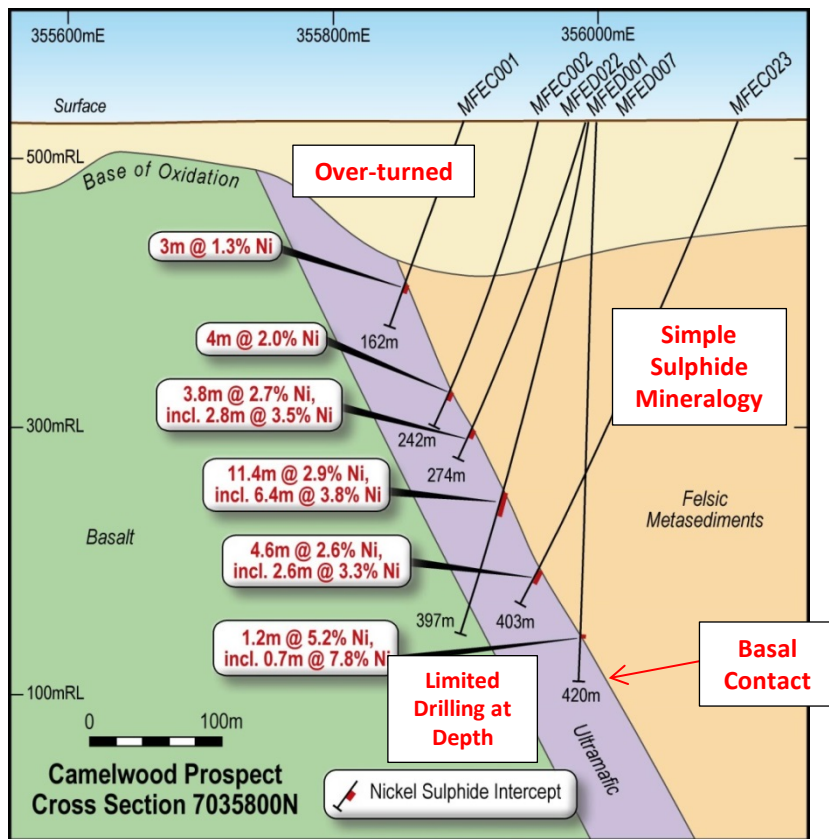


- New nickel province – discovered by Rox
- Four deposits discovered so far, Camelwood, Cannonball, Musket & Sabre
- Total Mineral Resource* of **4.2 Mt @ 1.9% Ni**, for **78,000 tonnes Ni metal**
- High grade portion of **0.5 Mt @ 4.6% Ni** across 3 orebodies
- Strong exploration potential over 25km

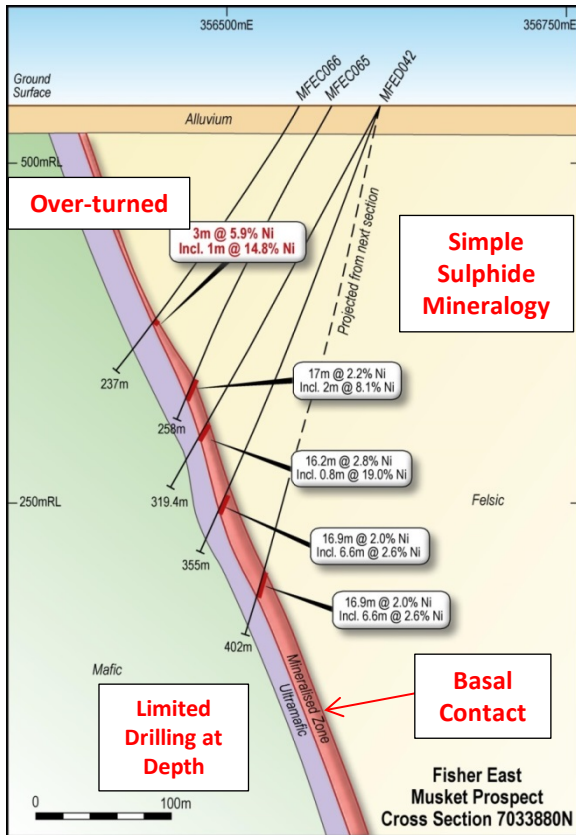
* See Appendix for Mineral Resource details



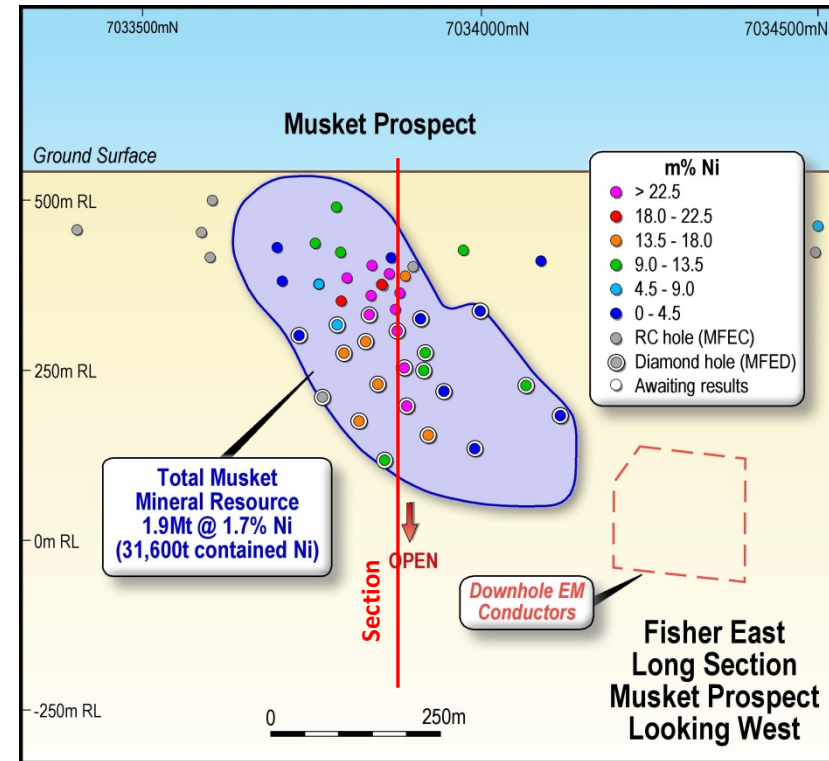
Camelwood



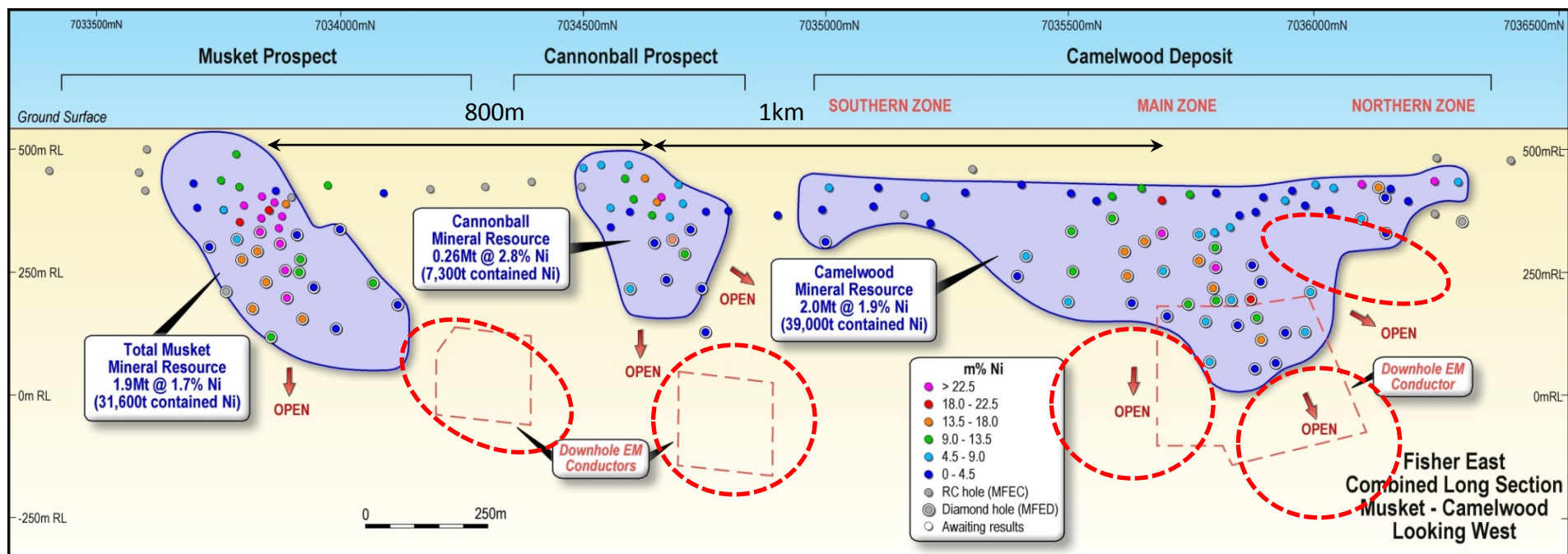
Musket



- Orebodies all dip at 60-65° to east
- Disseminated Sulphides overlie Massive/Semi-Mass sulphides



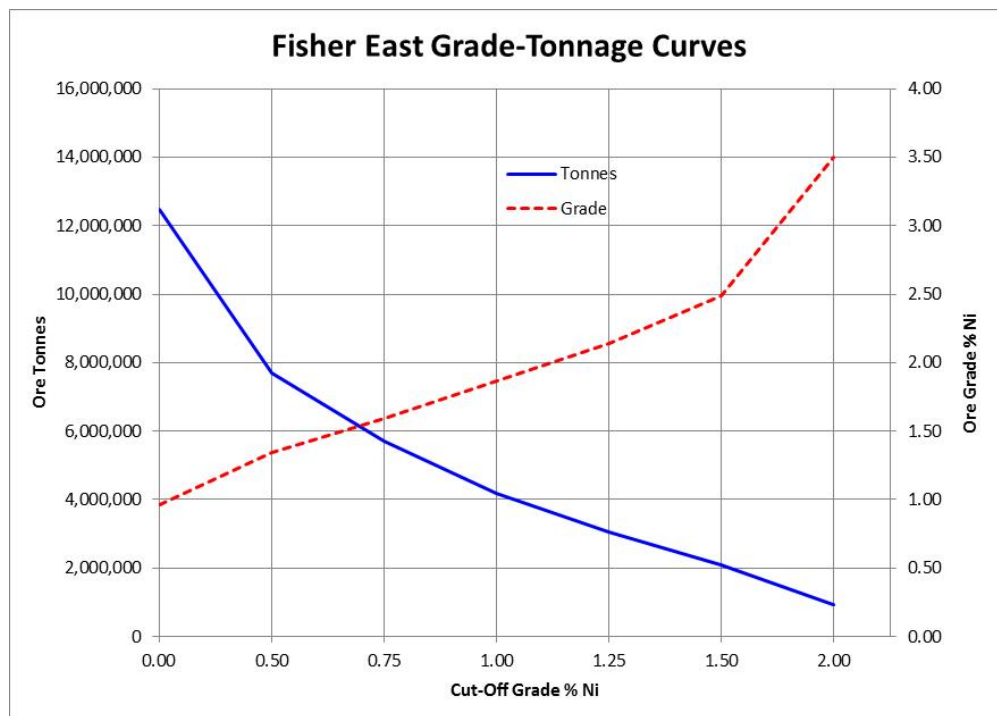
Resources & Potential



- ➊ Open at depth and along strike, untested downhole EM conductors
- ➋ Strong potential for increasing mineral resources at depth
- ➌ Scoping Study completed, PFS partially completed – on hold pending improvement in nickel price

Nickel Sulphide Resources

- Total Mineral Resource* (Camelwood, Cannonball, Musket) of **4.2Mt @ 1.9% Ni** (78,000t Ni) at 1% Ni cut-off
- Indicated **3.7Mt @ 1.9% Ni** (91%)
- Inferred **0.5Mt @ 1.5% Ni** (9%)
- Higher grade portion, **0.5 Mt @ 4.6% Ni** (21,100t Ni) across 3 orebodies
- Camelwood (50%) is largest portion of the resource, with Musket (40.5%) and Cannonball (9.5%)

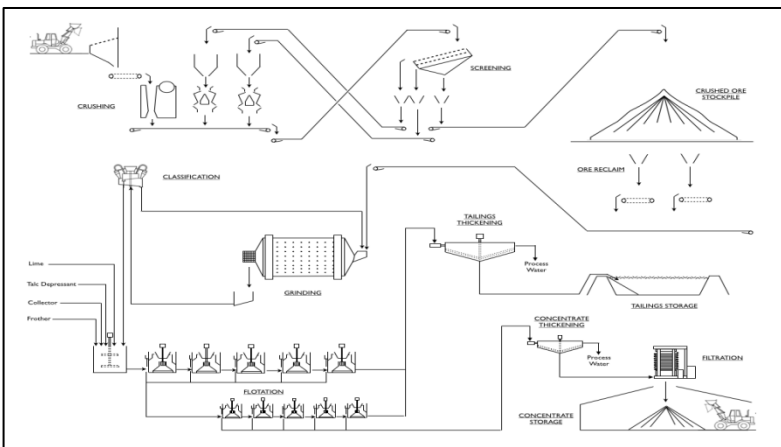


* see slide 4 for details of each individual deposit mineral resource (ASX:RXL 5 February 2016)

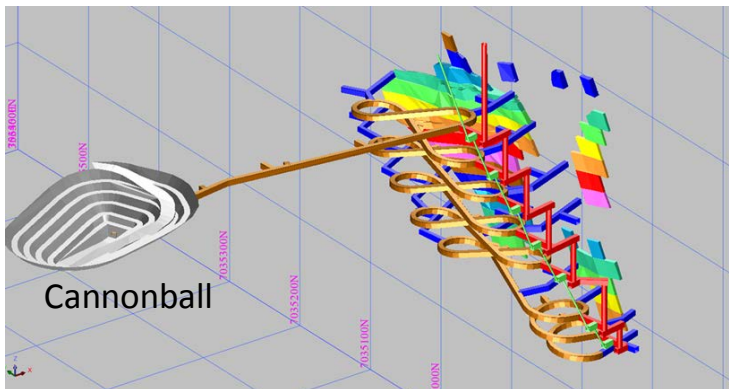
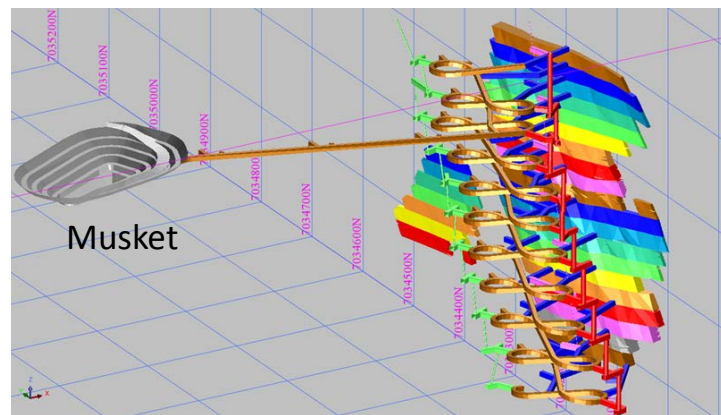
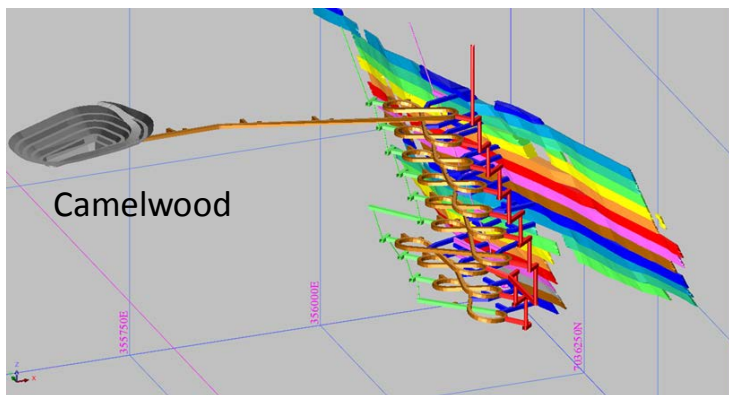
Scoping Study



- Examined two options:
 - Toll milling – truck ore to nearby plant (e.g. Nickel West at Leinster)
 - Build a plant (e.g. 600,000 tpa) – truck concentrate for sale
- Box cuts with separate declines to underground mines ~100m depth to sulphides
- Standard underground mining techniques
- Metallurgical recoveries, 80 – 99%, and saleable concentrate grades, 10 - 14% Ni, acceptable Fe:MgO ratios, low As (no penalties)
- Straight forward process flow sheet and logistics
- Low technical risk project



Mining Study - PFS



- Three separate underground mines
- Boxcut and 1:9 decline to each
- Standard long hole stoping with CAF or Avoca method (95% mining recovery)
- Additional tonnes produce significant additional revenue

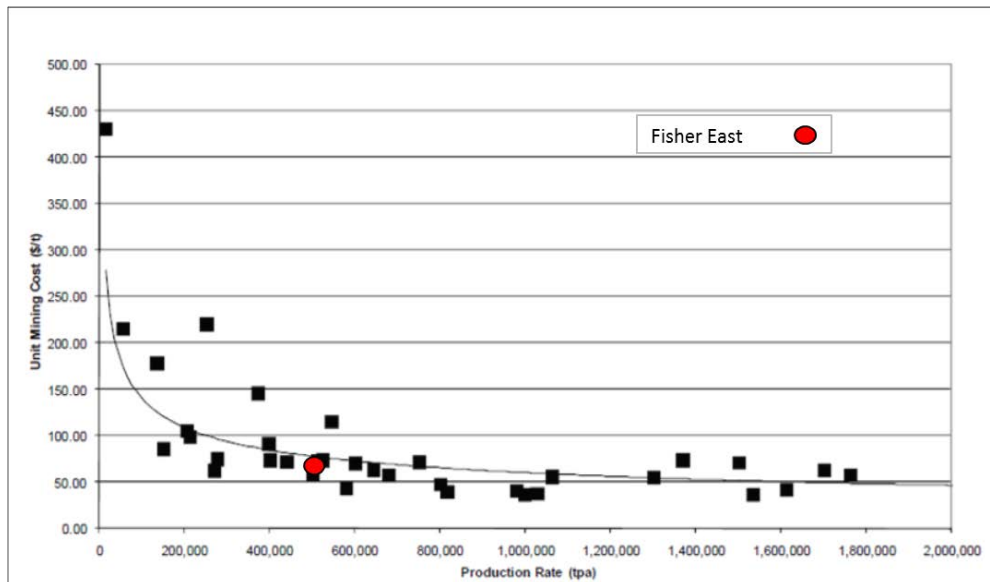
Operating Costs

Operating Item	Amount
Underground Mining Cost	A\$63.50/t*
Processing Cost	A\$39.60/t
Concentrate Haulage	A\$167.50/t conc
G & A Costs	A\$250,000/mth
Freight & Refining	A\$5.47/t
Royalty	2.5%
Total Operating Cost (C1)	A\$130/t

- Total Operating Cost is lower than Scoping Study estimate – which had erroneously included development capital costs

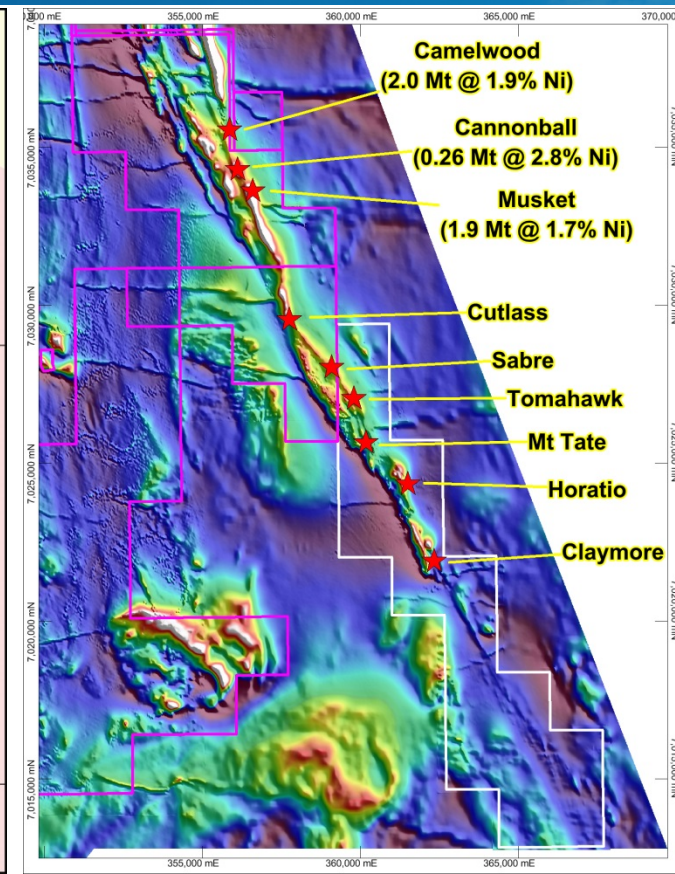
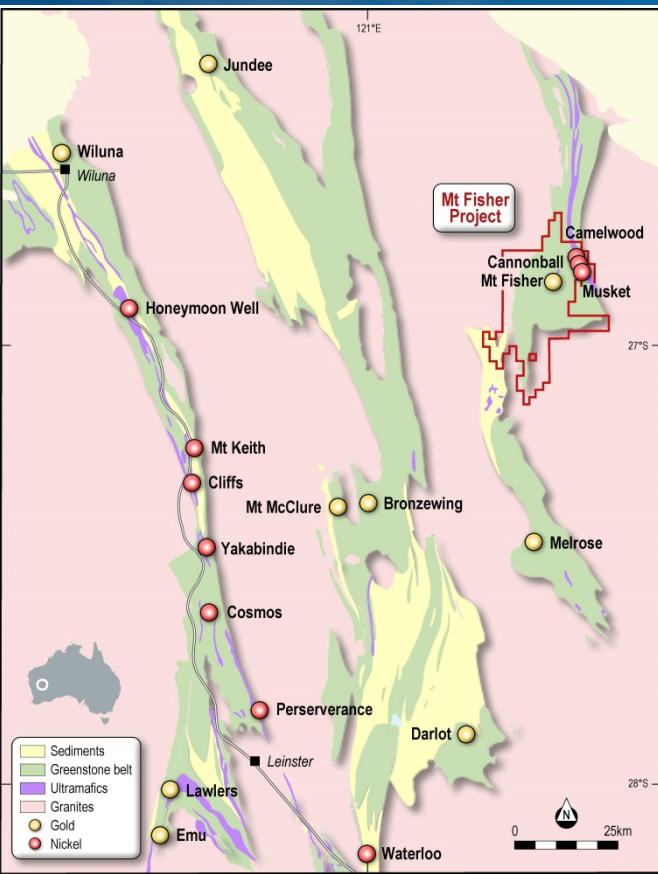
* Wood Mackenzie and Cassini need to correct their mining cost data for Fisher East

Unit Mining Cost (35 Australian Hardrock Underground Mines - 2010)



- Unit Mining Cost is in accord with average industry cost for similar sized operation

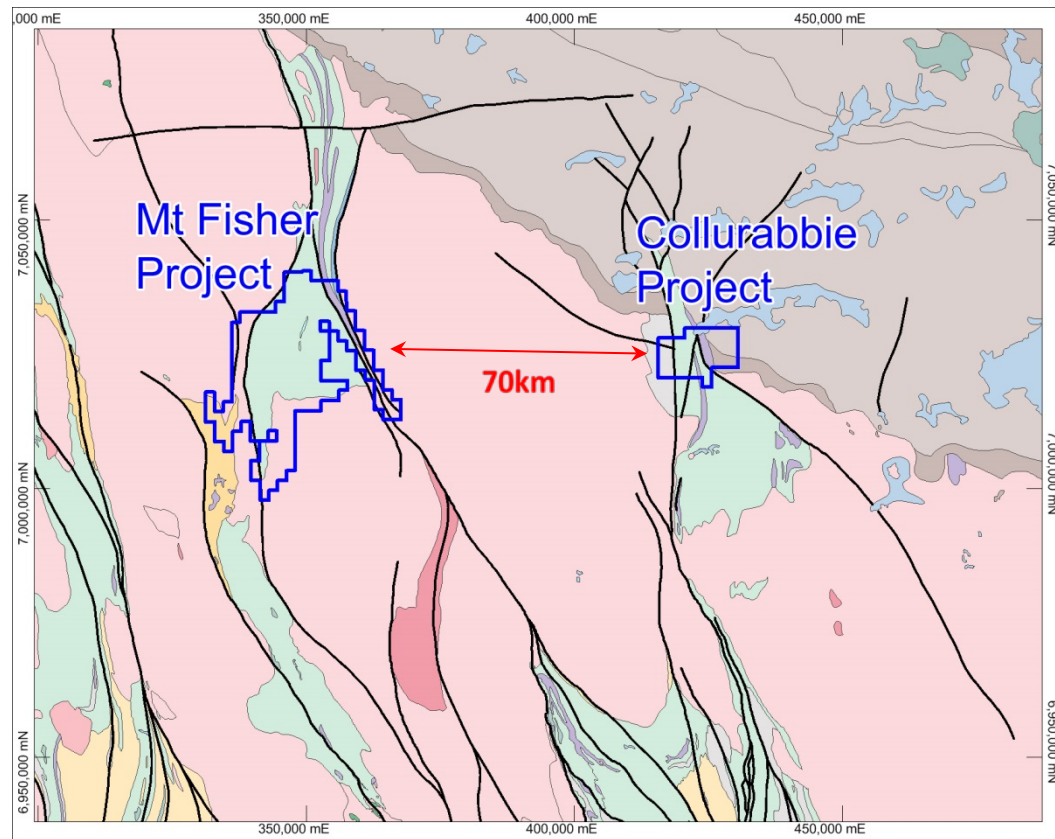
Exploration Potential



- Strong exploration potential over 25km
- Fresh sulphides in aircore at Mt Tate and Horatio
- Several targets ready to RC drill – e.g. Cutlass, Sabre, Mt Tate, Horatio, Claymore
- Potential to double total resource base

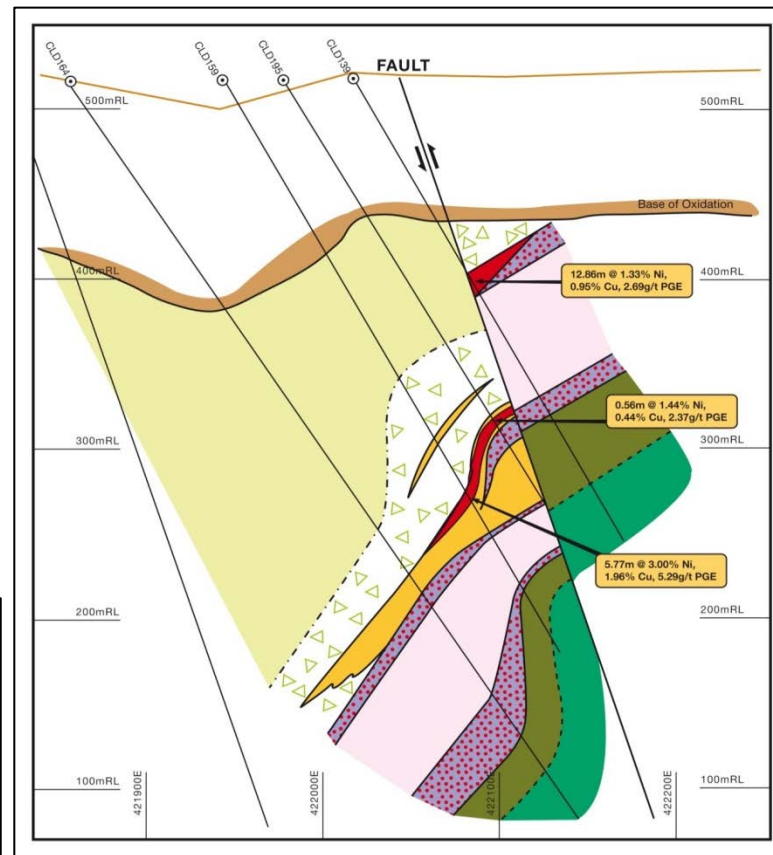
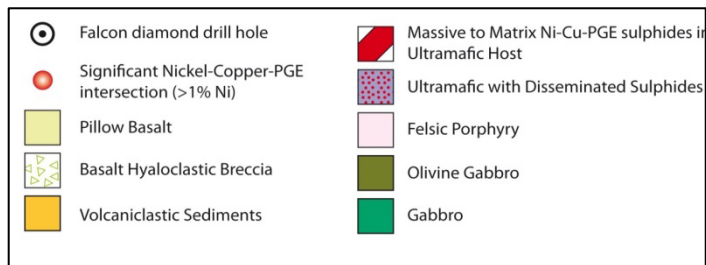
Collurabbie Acquisition

- Located only 70km east of Fisher East
- 123km² of prospective tenure
- ~\$90K expenditure commitment
- \$25,000 cash + 7.5 million RXL shares (~\$150K)
- Widespread Ni-Cu-PGE mineralisation over ~15km strike length on multiple stratigraphic horizons
- Mineralisation has similarities with Raglan, Canada
- Walk-up drill targets for Ni-Cu-PGE and gold
- Quality datasets of drilling and extensive geophysics
- Cheap counter-cyclical quality acquisition



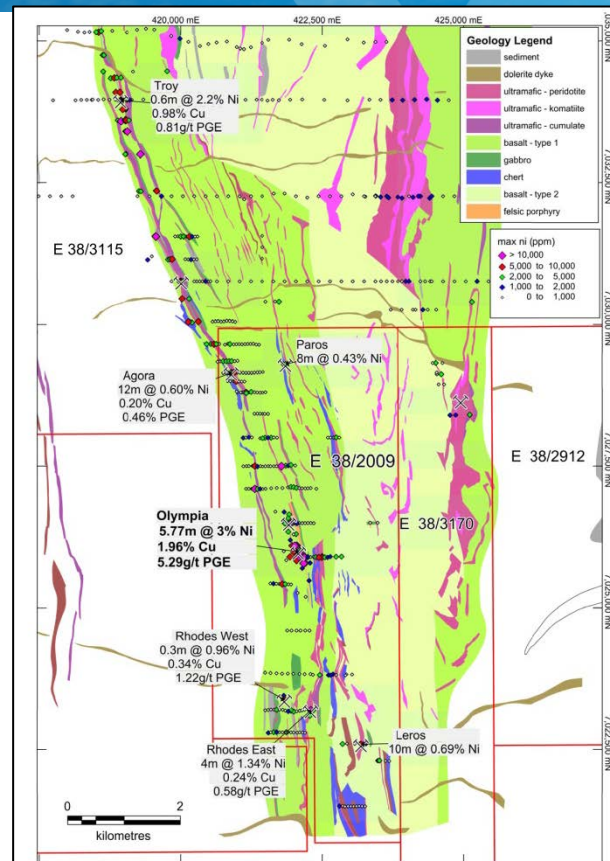
Exploration History

- WMC/Falcon JV from 2002
- Discovery of Ni-Cu-PGE at Olympia in 2004
- Intense exploration by WMC 2004-2005
- 5.8m @ 3.0% Ni, 2.0% Cu, 5.3g/t PGE**
- Takeover of WMC in 2005 by BHP put a stop on things
- BHP exited in 2009
- Moderate exploration by Falcon 2010-2011, then stopped
- Majority of work included deep RC/diamond drilling and EM



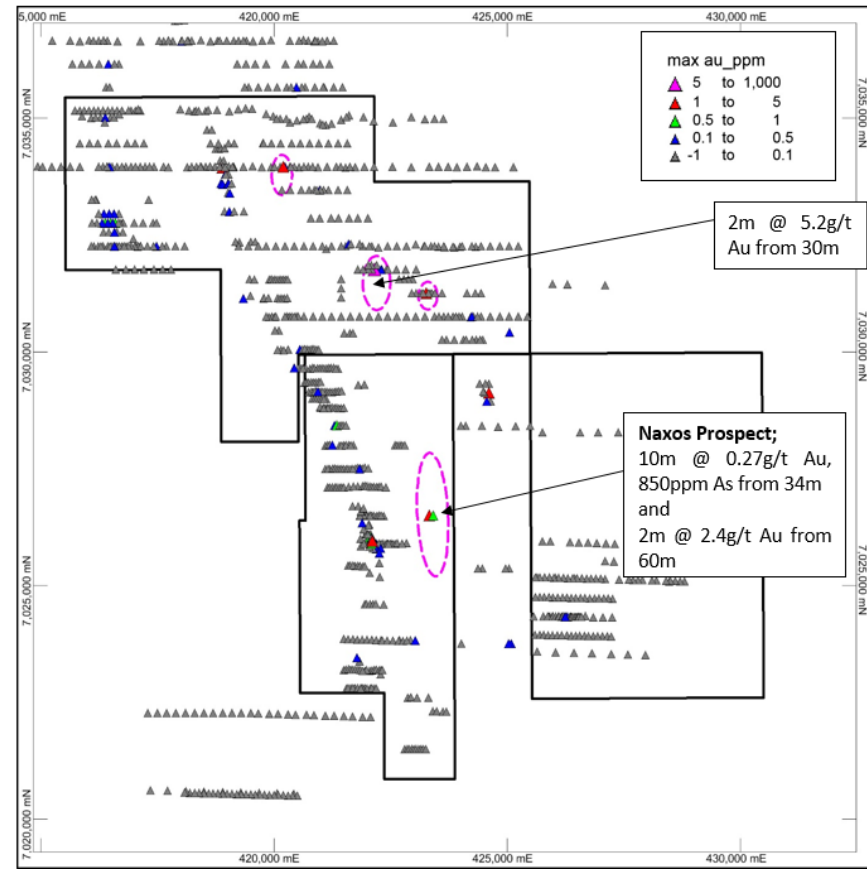
Ni-Cu-PGE Targets

- Olympia lens is mostly drilled out, but drill spacing at other prospects is quite broad
- Untested downhole EM anomalies
- Untested aircore anomalies – drill-ready targets
- Several strike kilometres of untested UM
- Regional coverage with effective geochemistry is poor



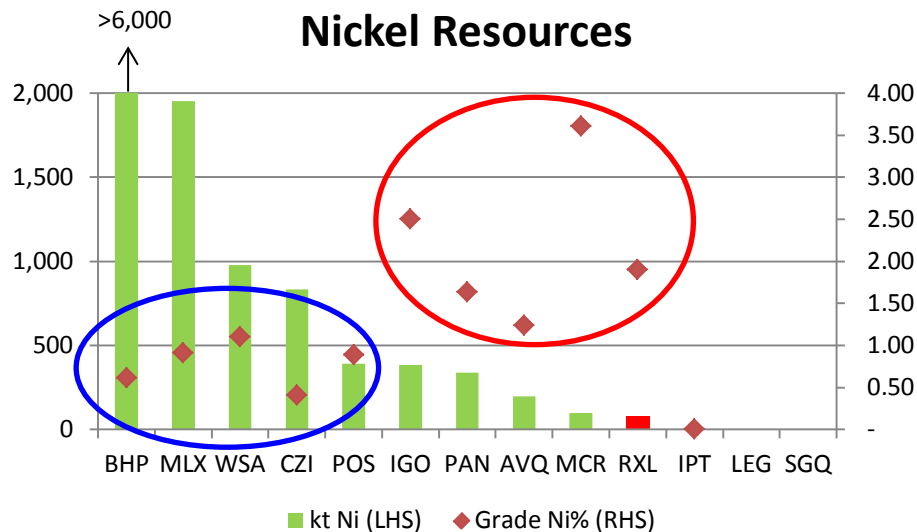
Gold Targets

- Significant exploration in 1990's focused on northern tenure
- No work since 2000
- Numerous zones of moderate gold mineralisation to follow up, e.g.
 - 2m @ 5.2g/t Au from 30m
 - 2m @ 2.4g/t Au from 60m
 - 2m @ 2.47g/t from 70m
- Strong potential for new discoveries

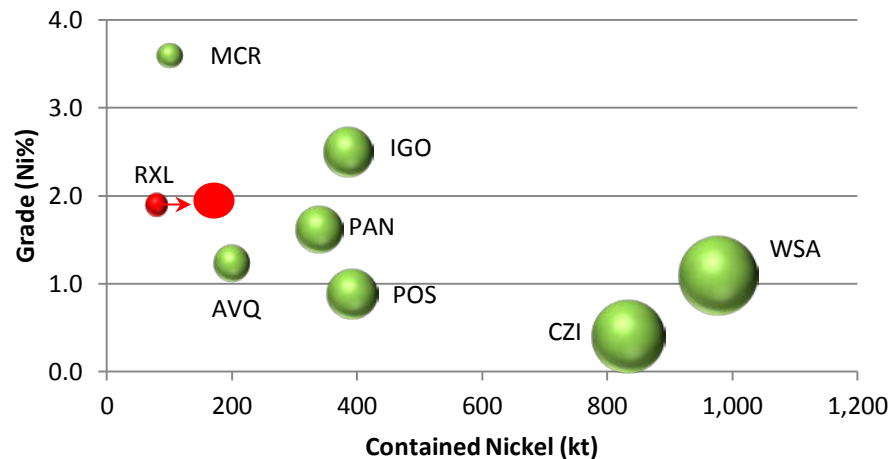


Benchmarking

Nickel Resources



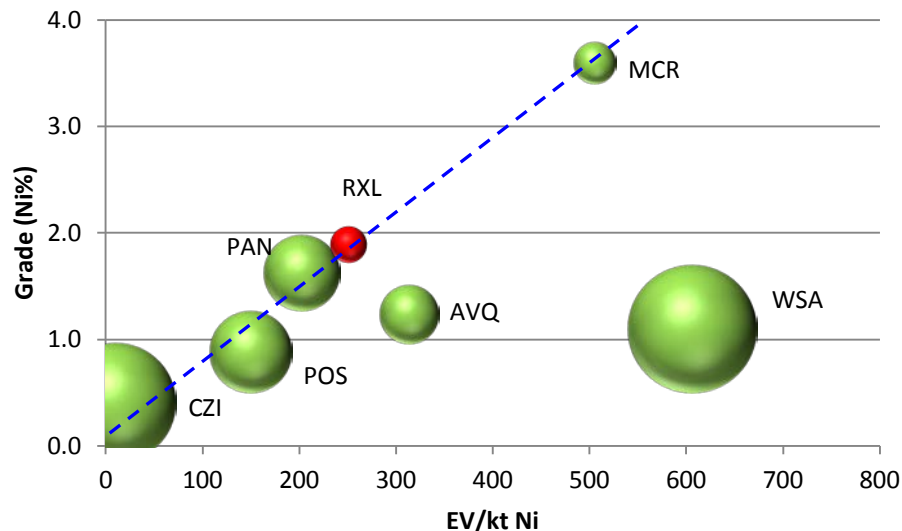
Nickel Resources



- Large resources are generally lower grade
- High grade resources are generally smaller
- Potential to double mineral resources at Fisher East

Value Proposition

Nickel Resources



- Obvious relationship between EV/t Ni and Ni grade
- RXL seems to be fairly valued against peers based on grade of nickel resource
- Increases in resources should thus see an increase in market cap and therefore share price
- What about Reward Sale proceeds?
- Not factored into current share price
- Adds \$18-20m to Rox's market cap – about double!

What Next?

- Increased Mineral Resource at Fisher East will give longer mine life and improve project economics
- Complete further metallurgical testwork (needs additional drilling), and scope out processing options to PFS level – to complement PFS level Mining Study already completed
- Complete other aspects of PFS – infrastructure, marketing etc.
- When Ni price improves further, complete DFS (or BFS)
- Time from commencement of mining to first tonnes is about 9 months
- Be “ready to move when the time is right”
- Rox will be well funded to do this



Disclaimers



Forward-Looking Statements

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Competent Person Statements

Resource Statements

The information in this report that relates to nickel Mineral Resources for the Fisher East project was reported to the ASX on 5 February 2016 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 5 February 2016, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 5 February 2016 continue to apply and have not materially changed.

The information in this report that relates to zinc-lead Mineral Resources for the Reward project was reported to the ASX on 15 March 2010 (JORC 2004) and 1 June 2016 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 15 March 2010 and 1 June 2016, and that all material assumptions and technical parameters underpinning the estimates in the announcements of 15 March 2010 and 1 June 2016 continue to apply and have not materially changed.

The information in this report that relates to gold Mineral Resources for the Mt Fisher project was reported to the ASX on 10 February 2012 (JORC 2004). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 10 February 2012, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 10 February 2012 continue to apply and have not materially changed.

Exploration Results

Exploration Results herein are based on information compiled and released to the ASX as follows:

Fisher East (ASX:RXL Between 1 December 2012 and the present)

Collurabbie (ASX:FCN 17 August 2004, 10 November 2004, 3 December 2004, 8 March 2005, 5 July 2010, and 8 July 2011).

In the case of the Exploration Results and Mineral Resources reported under the 2004 JORC Code, 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.

Thank You

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Mineral Resources

Fisher East Nickel, ASX:RXL 5 February 2016

Deposit	Category	Tonnes (Mt)	Ni%	Ni (kt)
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	Total	2.0	1.9	39.0
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
	Inferred	0.1	1.5	1.6
	Total	1.9	1.7	31.6
TOTAL	Indicated	3.7	1.9	71.0
	Inferred	0.5	1.5	7.0
	Total	4.2	1.9	78.0

Fisher East: 1% Ni block cut-off grade. Values may not sum due to rounding. JORC 2012
 Mt Fisher: 0.8 g/tAu block cut-off grade. Values may not sum due to rounding. JORC 2004

Appendix

Resource/Reserve EV/t

Company	ASX	Resource	Reserve	Grade Res	Grade Rsv	Market Cap	Cash	EV	EV/tNi Res	EV/tNi Rsv	Comments	Reference
		kt Ni	kt Ni	%Ni	%Ni	\$M	\$M	\$M				
						17-Oct-16	30-Jun-16					
BHP Nickel West	BHP	6,144	388	0.61	0.67	NA	NA				Part of a Major Multi-national company	ASX:BHP 21 September 2016
Metals X	MLX	1,953	1,561	0.91	0.93	NA	NA				Substantial Valuation in other projects	ASX:MLX 18 August 2016
Western Areas	WSA	1,024	171	1.20	3.20	683.3	92.1	591.2	577	3,454	Producer	ASX:WSA 19 October 2016
Cassini	CZI	833		0.41		10.4	1.4	9.0	11		Also low grade Cu resource	ASX:CZI 30 September 2016
Poseidon	POS	392	70	0.89	0.98	42.3	-16.3	58.6		841		ASX:POS 12 October 2016
Independence	IGO	385	289	2.50	2.05	NA	NA				Substantial Valuation in other projects	ASX:IGO 14 October 2016
Panoramic	PAN	339	46	1.63	1.28	98.6	30.0	68.6	203	1,503	Some Cu included	ASX:PAN 30 September 2016
Axiom	AVQ	200		1.24		64.0	1.5	62.5	313			ASX:AVQ 7 March 2016
Mincor	MCR	99	28	3.60	2.50	63.3	13.2	50.1	505	1,776		ASX:MCR 23 September 2016
Rox	RXL	78		1.90		21.0	1.5	19.5	250			ASX:RXL 23 September 2016
Impact	IPT	-		-		-		-	-			
Legend	LEG	-		-		-		-	-			
St George	SGQ	-		-		-		-	-			