

ASX: RXL



Australia's Premier Nickel Exploration Opportunity

Sydney Resources Roundup

10 May 2018

Ian Mulholland - Managing Director



Why Invest in Rox?



JORC Mineral Resources of Nickel Sulphide

64,000 t contained Ni @ 2.45% NiEq

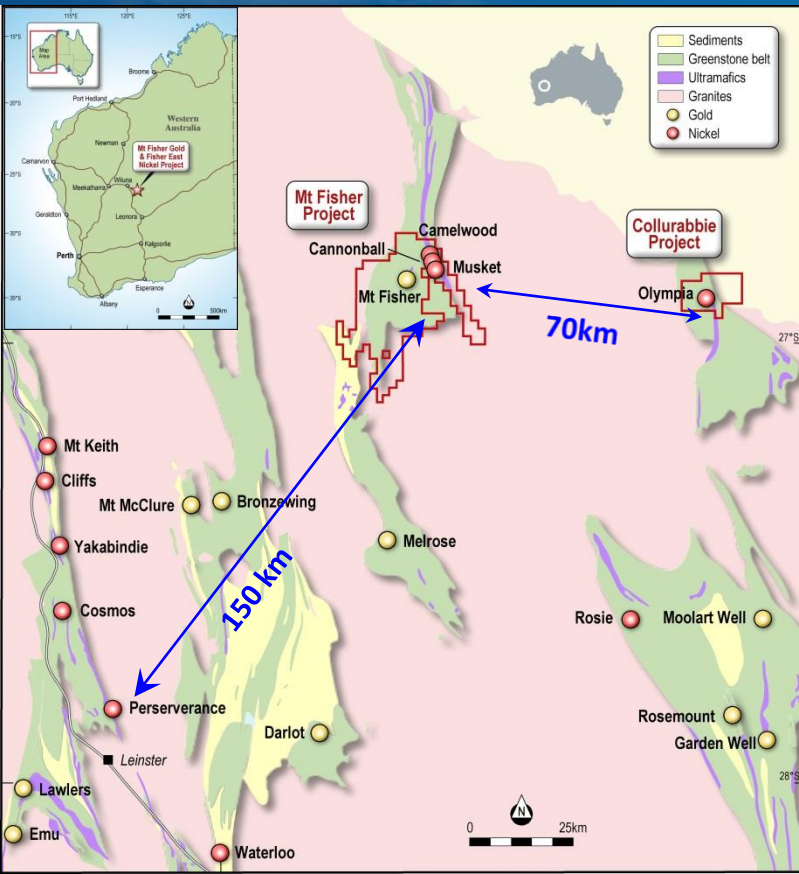
86,000 oz contained Au @ 2.75 g/t

Cash & Receivables of \$15 million

Enterprise Value (EV) of \$6.3 million

Awarded Explorer

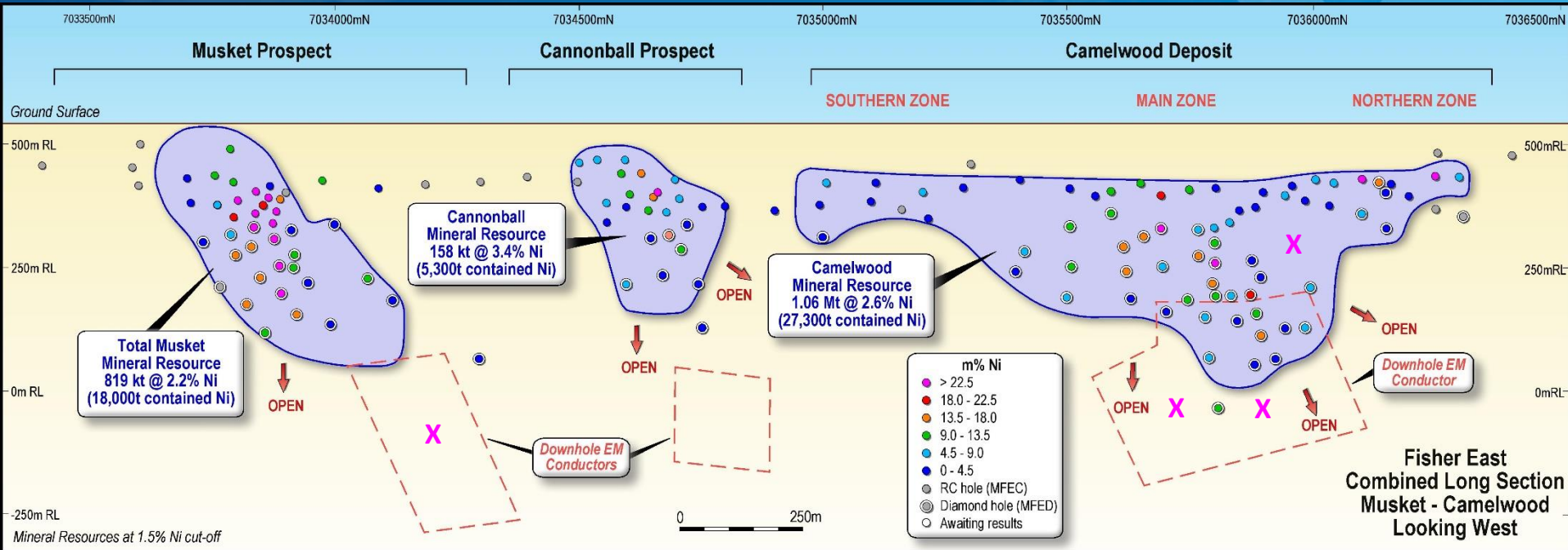
Nickel Sulphide Projects



- Two nickel sulphide projects in WA's northern goldfields
- Fisher East is a new nickel province – discovered in 2013 by Rox
- Collurabbie discovered in 2004 by WMC – but relatively unexplored
- Fisher East and Collurabbie are just 70km apart – project development synergies
- High-grade Mineral Resources* of **~50,600 tonnes Ni metal @ 2.5% Ni** at Fisher East and **~13,500 tonnes NiEq @ 2.3%** at Collurabbie

* See Appendix for Mineral Resource details

Fisher East Resources

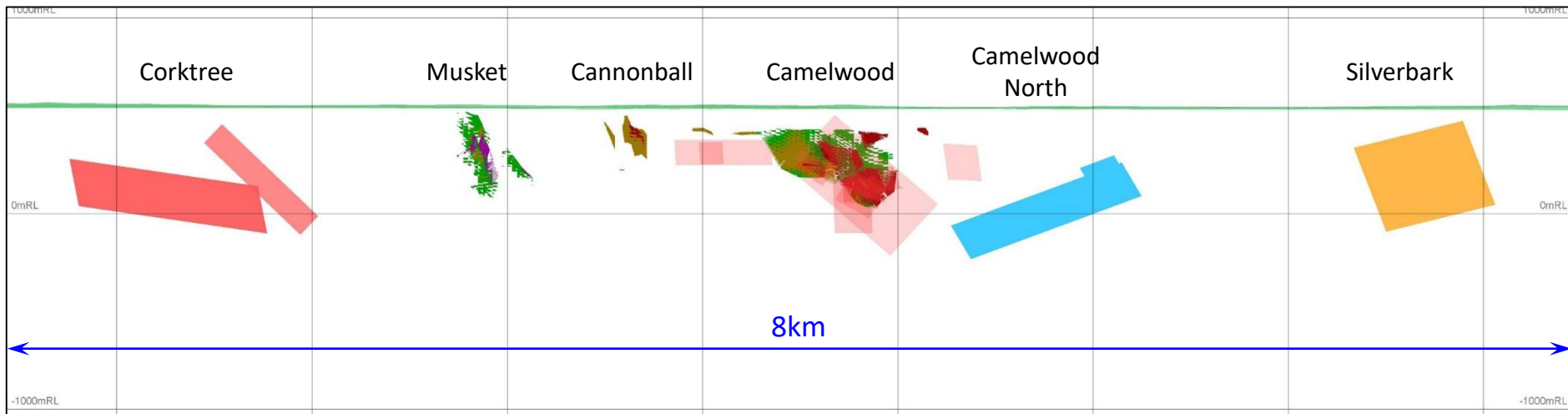


➤ Total Mineral Resource* of **2.0 Mt @ 2.5% Ni**, for **50,000 tonnes Ni metal**

➤ Drilling to increase current resources and aggressively explore to identify new discoveries

* See Appendix for Mineral Resource details

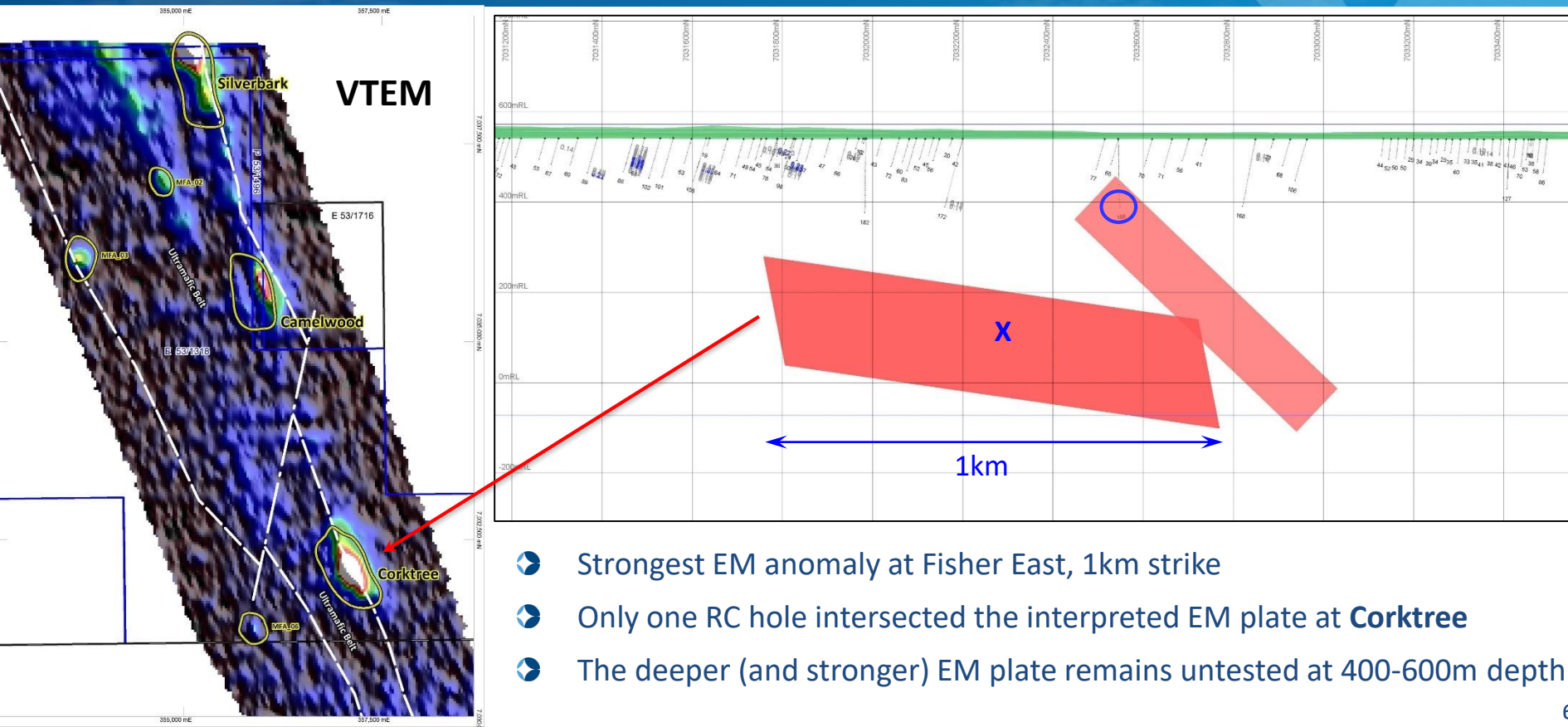
EM Interpretation



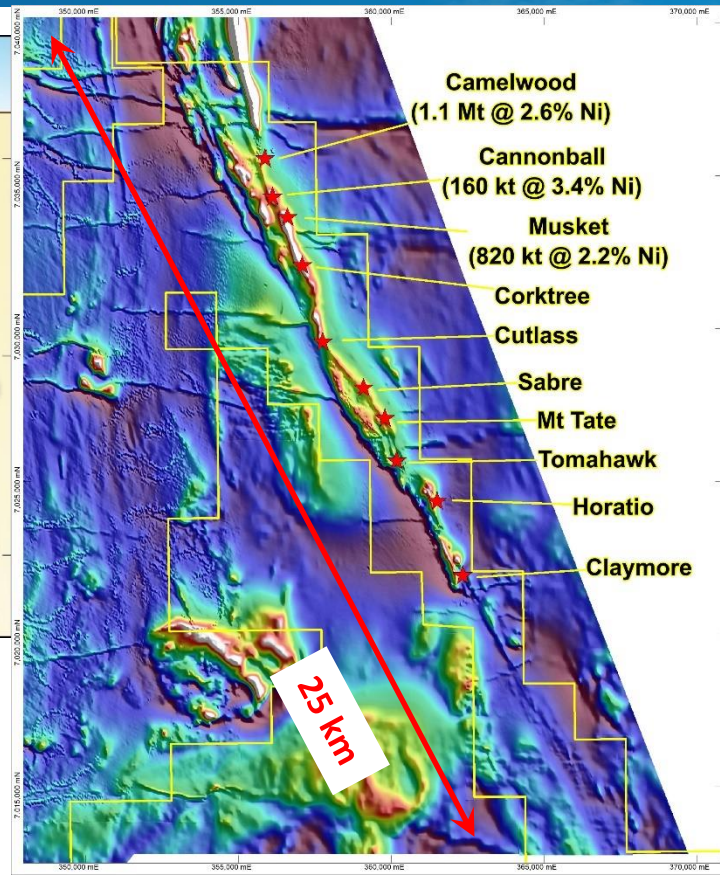
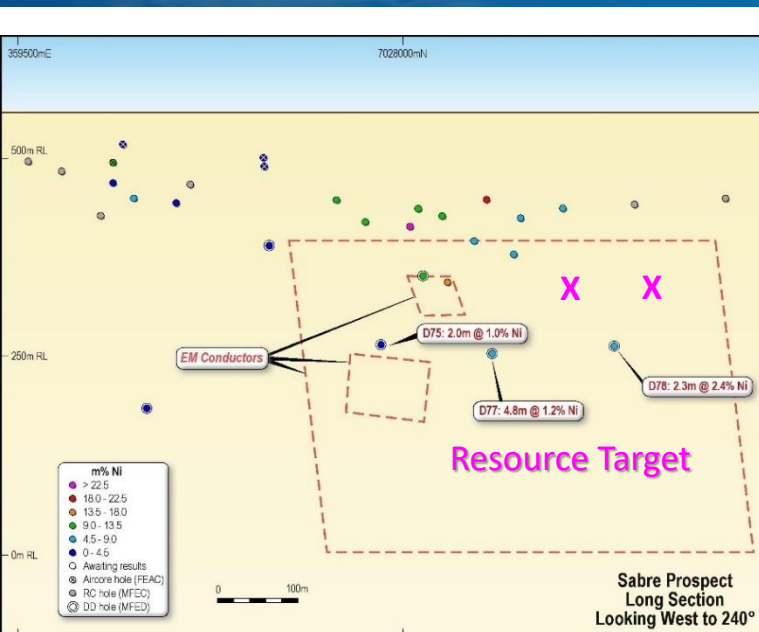
- Ground EM survey conducted over 8km strike
- Very strong EM responses at **Corktree**, **Camelwood** and **Silverbark**
- The Corktree and Silverbark EM plates remain effectively untested by drilling

Resource outlines shown at 1.5% Ni Cut-Off
EM plates shown as coloured rectangles

Corktree Target



Exploration Targets

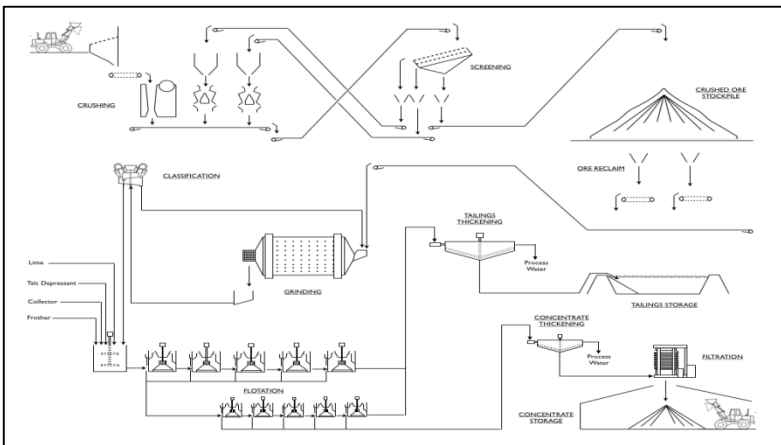


- Exploration ongoing on several targets along 25km of strike
- Resource to be drilled out at **Sabre**
- Fresh sulphides in aircore at **Mt Tate** to follow up
- Exceptional EM target at **Corktree**

Development Studies

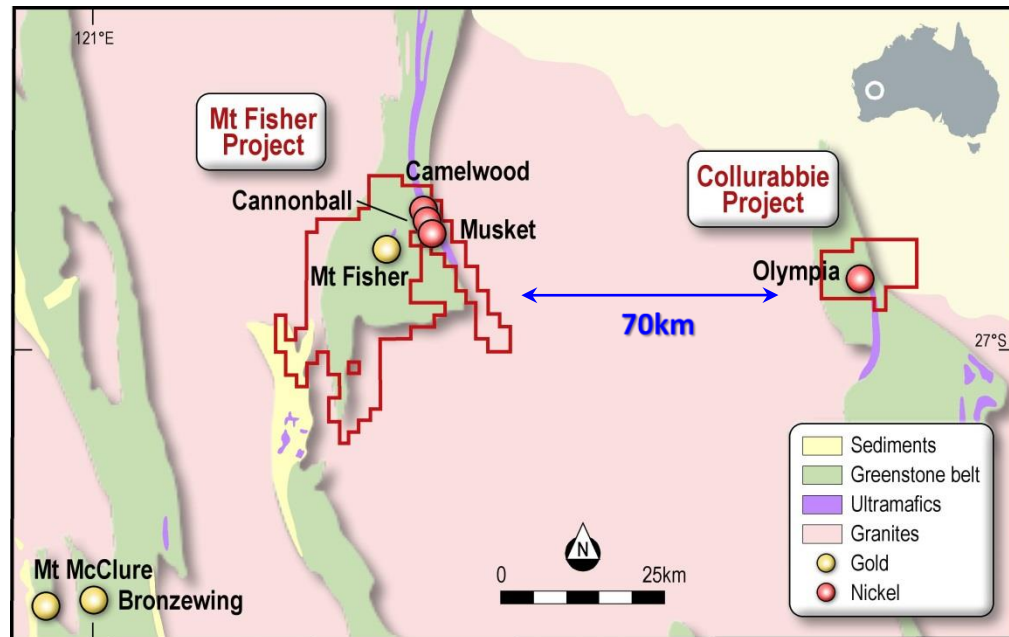


- **Low technical risk project:**
 - Toll milling – truck ore to nearby plant (two plants within 200km)
 - Build a plant on site – truck concentrate for sale
- Decline to underground mine ~70-100m depth
- Standard underground mining techniques and costs
- Simple process flow sheet and logistics
- Metallurgical recoveries, 80 – 99%, and saleable concentrate grades, 10 - 14% Ni, acceptable Fe:MgO ratios, low As (no penalties)
- Straight forward project dependent on nickel price
- Increased resources will increase mine life and project value



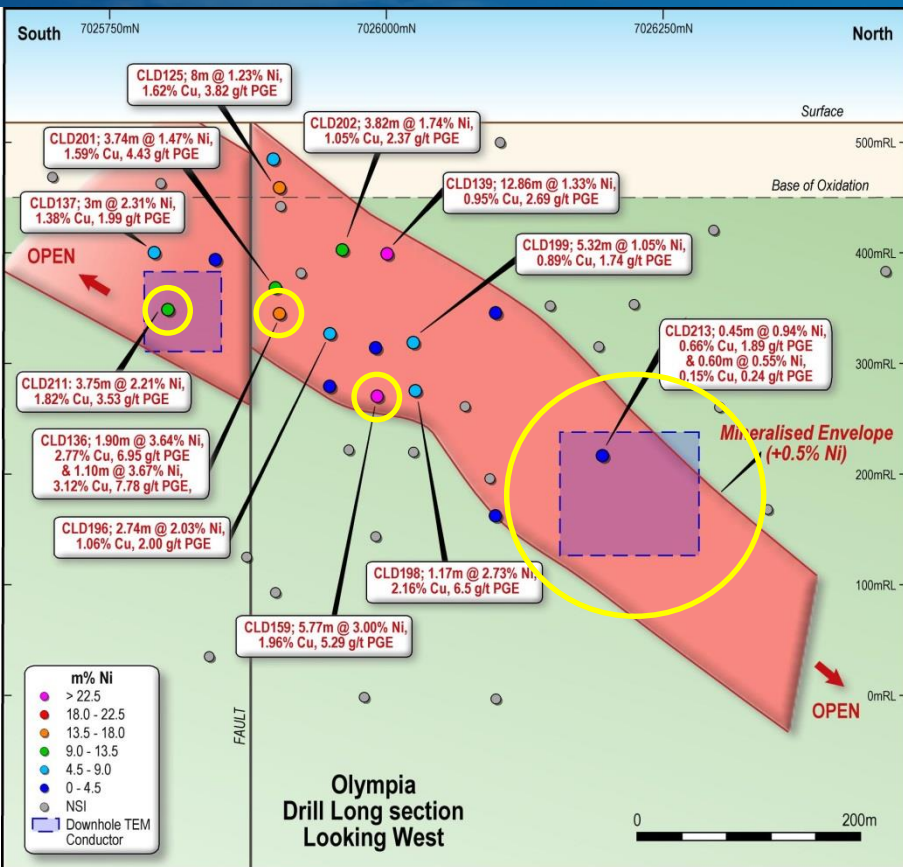
Collurabbie

- 123km² of prospective tenure
- Main discovery at Olympia deposit
- Only 70km from Fisher East
- Widespread Ni-Cu-PGE mineralisation** over ~15km strike length on multiple stratigraphic horizons
- Underdone previous exploration**
- Extensive and quality datasets of drilling and geophysics
- Drill targets for Ni-Cu-PGE and Au
- Counter-cyclical high quality acquisition at a relatively cheap* price



* \$25,000 cash + 7.5 million RXL shares (~\$150K)

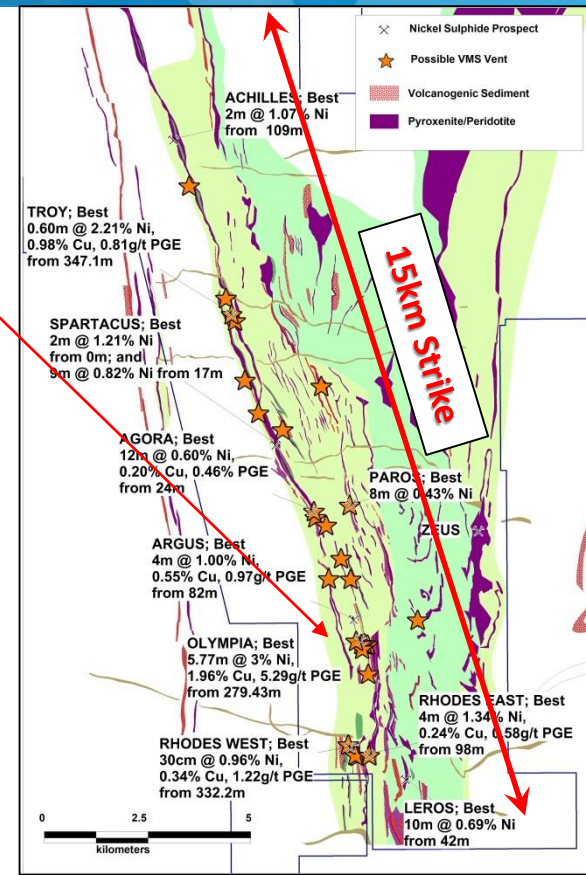
Exploration Potential



🌐 **Olympia Mineral Resource of 573,000 tonnes @ 1.6% Ni, 1.2% Cu, 0.08% Co and 2.3 g/t Pt+Pd, 2.3% NiEq***

- 🌐 High grade drill intercepts
- 🌐 Open at depth
- 🌐 Exploration potential over 15km of strike
- 🌐 Aircore drilling planned

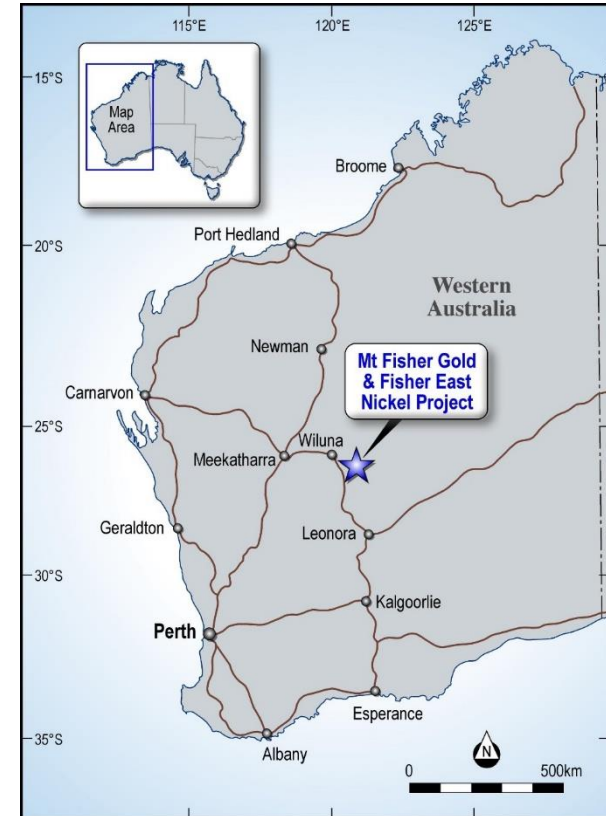
* See Appendix for Mineral Resource details



Gold Spinout – Helios Gold



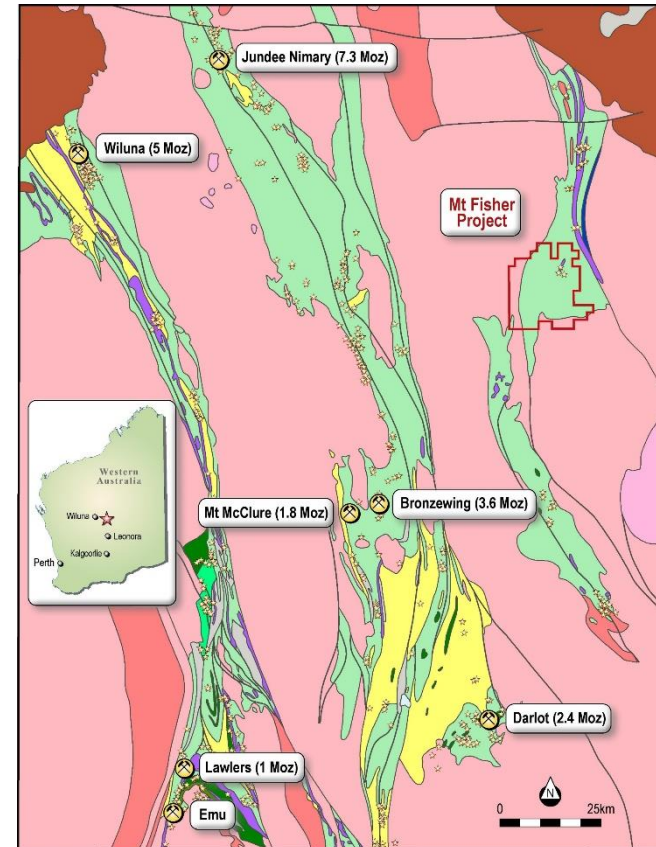
- Historic mining at Mt Fisher in 1930's
- Open pit mining in 1980's
- Discovery of a new zone of gold by CRA in 1990's
- Main project in Avoca Resources' 2004 IPO
- Avoca purchased Higginsville in 2005
- Project acquired by Rox in 2011 from Avoca
- Rox defined gold resources 2011-2012, but then found nickel at Fisher East
- Resource base of 86,000 ozs @ 2.75 g/tAu
- Multi-million ounce potential



Mt Fisher Gold

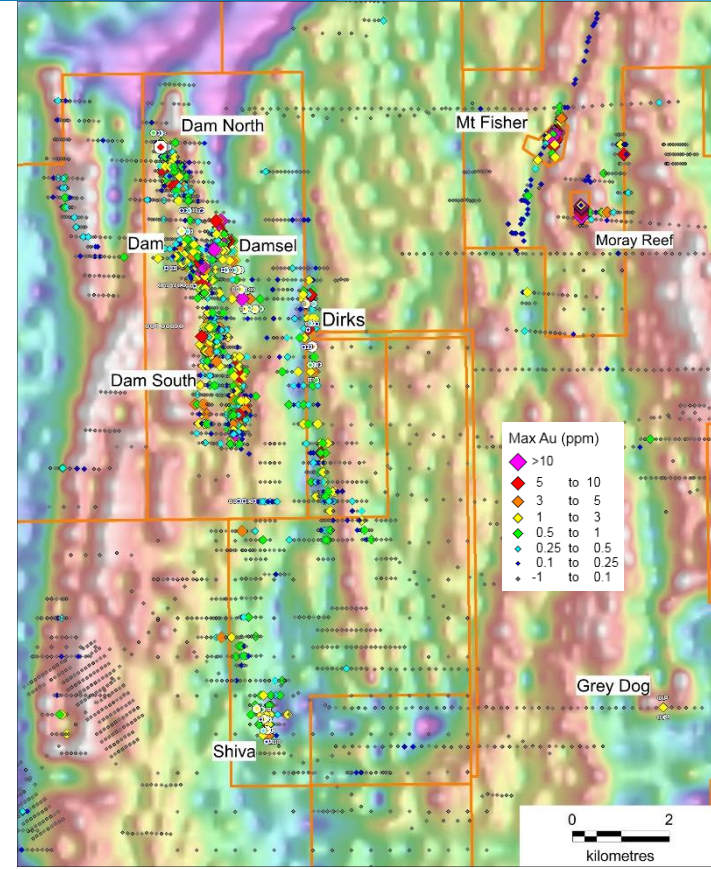


- Several mills for toll treating within 150km
- Gold endowment of adjacent Yandal (17 Mozs) and Agnew-Wiluna (10 Mozs) belts an order of magnitude greater than Mt Fisher belt (0.5 Mozs)
- Tenements cover approximately 25% of the belt area
- Interest in the area becoming aggressive with Northern Star investment in Echo Resources, and Red 5 bid for Bullseye Mining
- Any resources established at Mt Fisher will be highly sought after



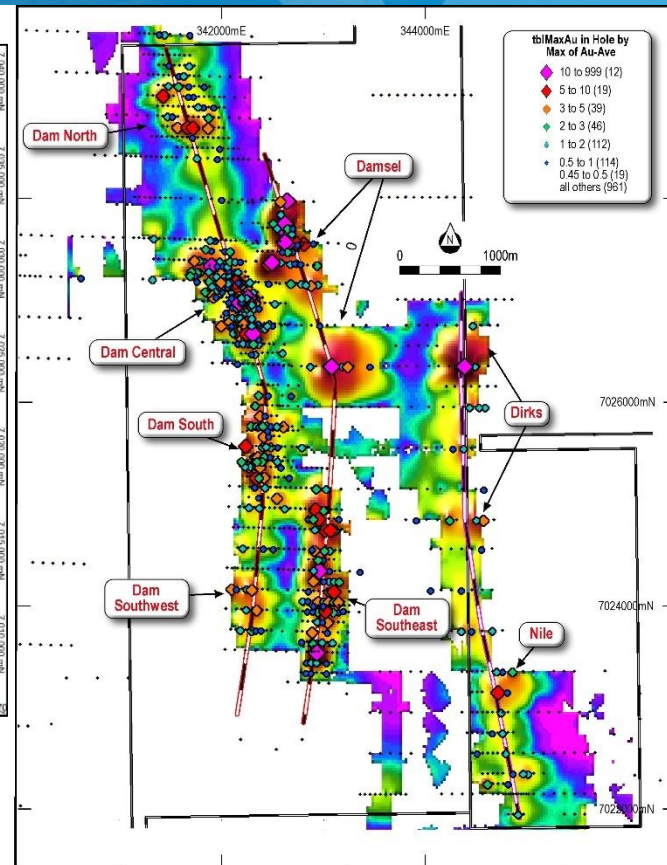
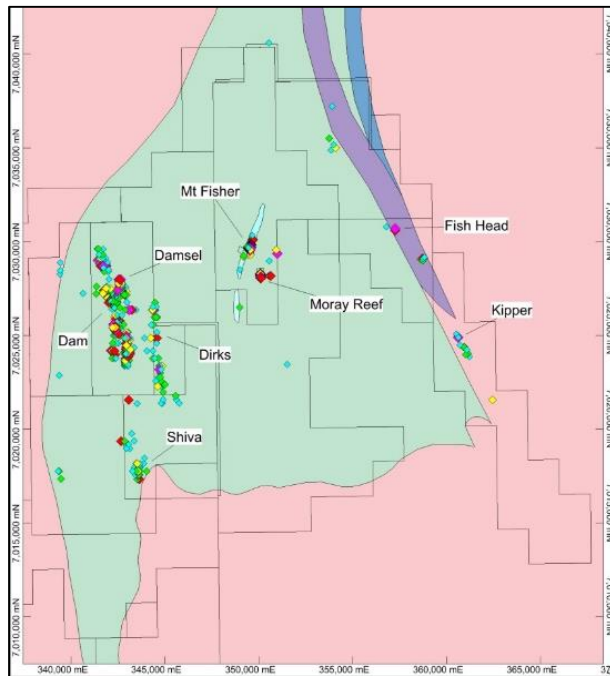
Gold Drilling

- Gold resources at Mt Fisher, Moray Reef and Damsel
- A 10km zone of strong gold anomalism – Dam to Shiva
- A sub-parallel structure – Dirks
- Many high grade drill intersections
- Recent outstanding aircore results
- \$10 million JV with Doray terminated after \$1 million expenditure due to funding issues at Doray
- Rox and partners have spent \$5 million since acquisition in 2011



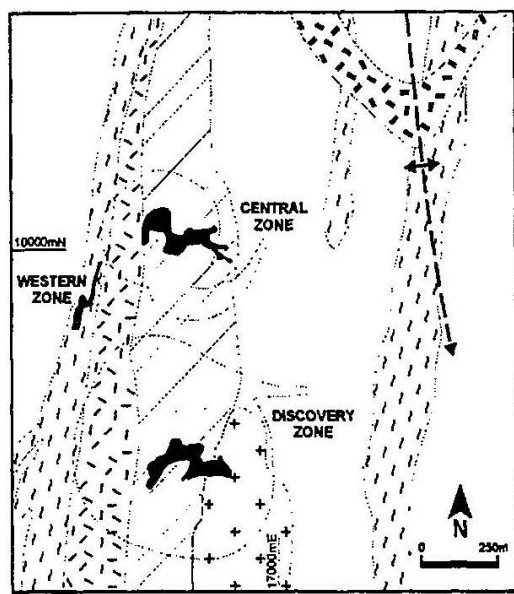
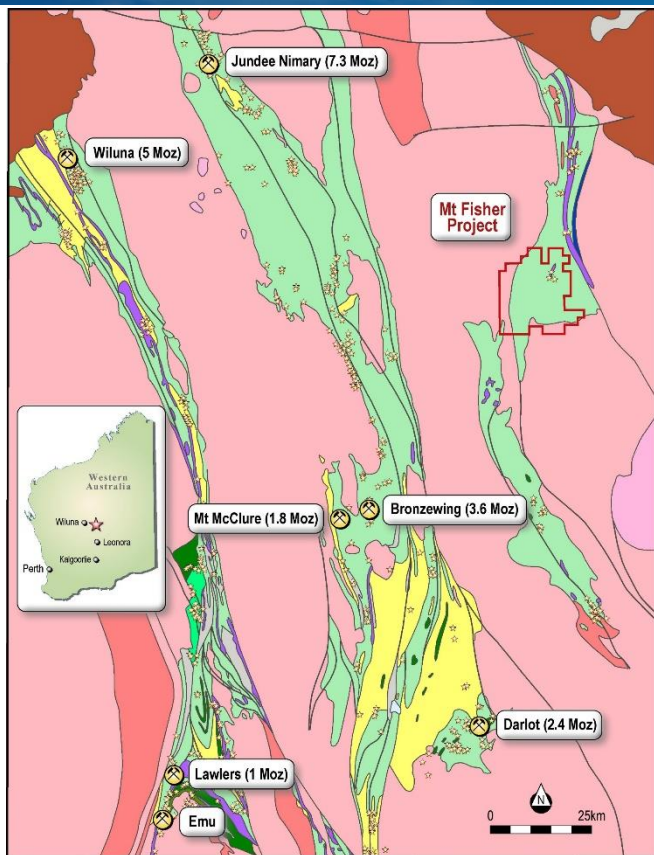
Gold Resources

- JORC Mineral Resource of **86,000 oz* @ 2.75 g/t Au**
- Large scale gold-in-regolith anomaly along complex western shear zone (Damsel-Dam-Shiva) – 10km long
- Targeting >500,000 ozs
- 3,600m of RC drilling ready to go



* See Appendix for Mineral Resource details

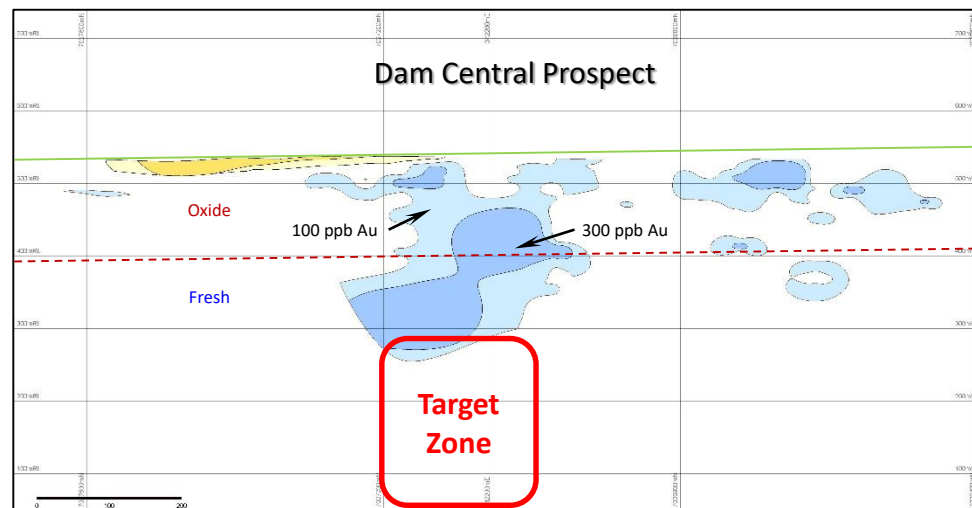
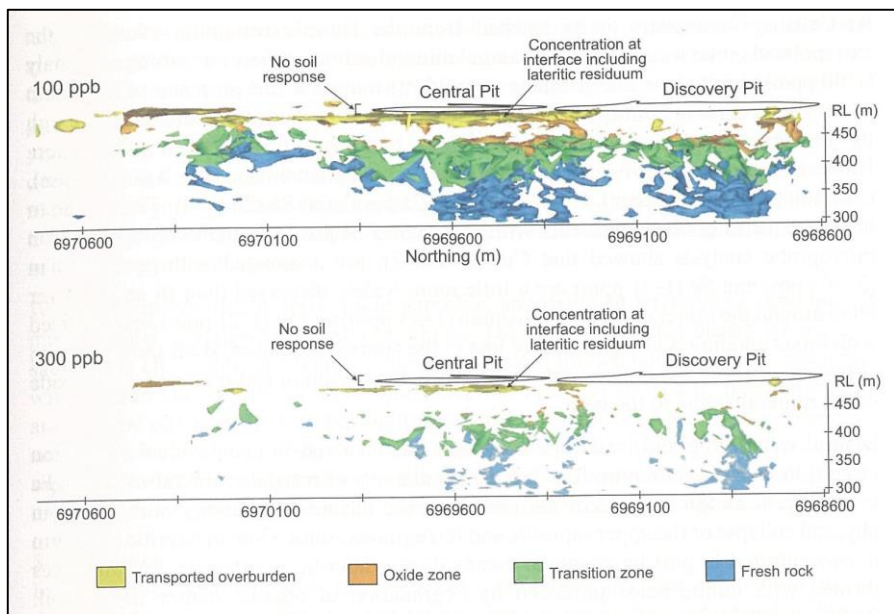
Gold Model



Reference: Gebre-Mariam, M., Sharpe, E., & Smith, R., (2000), Geology of the Bronzewing Gold Deposit, Yandal Belt; Yandal Greenstone Belt, AIG Bulletin 32, 2000

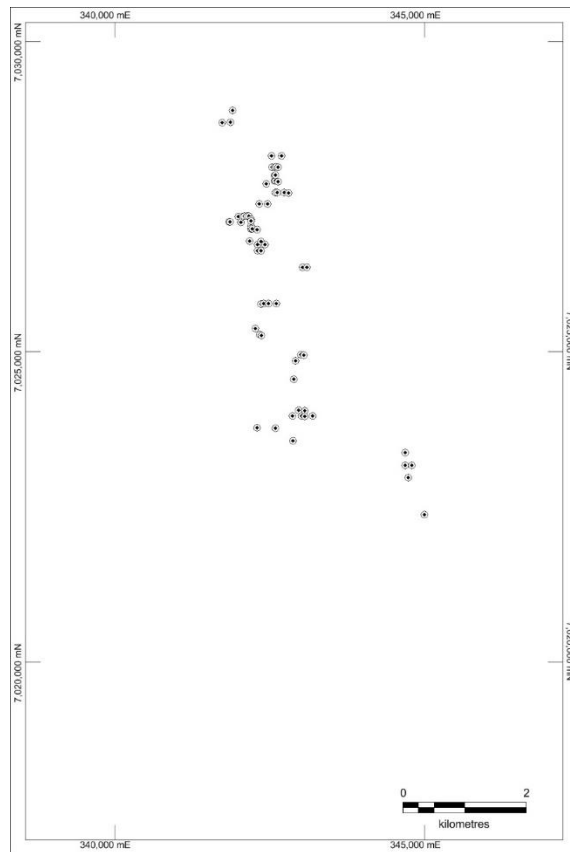
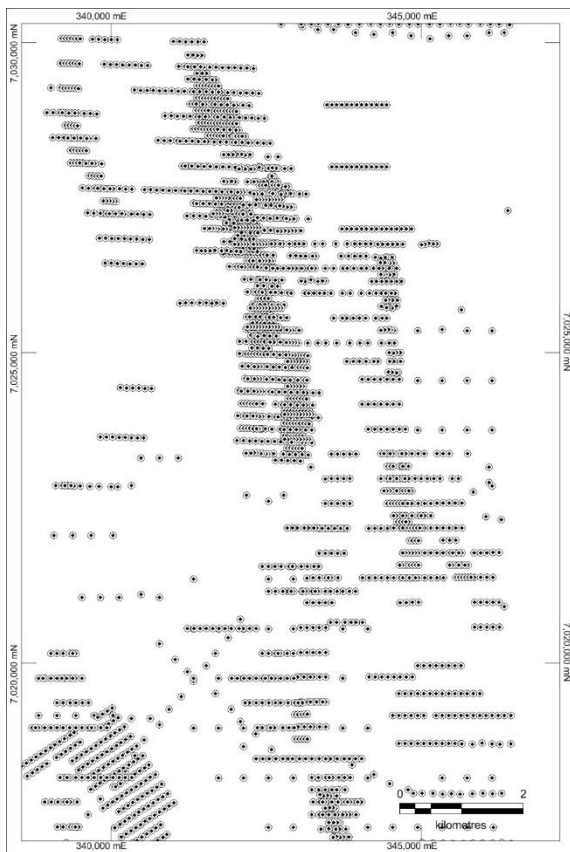
- Bronzewing is a group of gold deposits in Yandal Belt – 3.6 Moz
- Distance is ~75km from Mt Fisher
- Footprint of Bronzewing deposits quite small
- 100m x 50m Aircore/RAB drilling required to properly define anomalies
- Large low grade gold halo (~100 ppb Au) – but smaller and discontinuous gold halo at 300 ppb Au
- Numerous gold anomalies like this at Mt Fisher

Gold Anomalies



- Comparison of Mt Fisher with Bronzewing shows similar features at a number of prospects
- Potential for deeper gold systems at Mt Fisher beneath Aircore/RAB gold anomalies

Lack of Deep Drilling



All drilling

RAB/AC	3,519 holes	159,747m
RC	349 holes	29,438m
DD	66 holes	11,106m
TOTAL	3,934 holes	200,291m

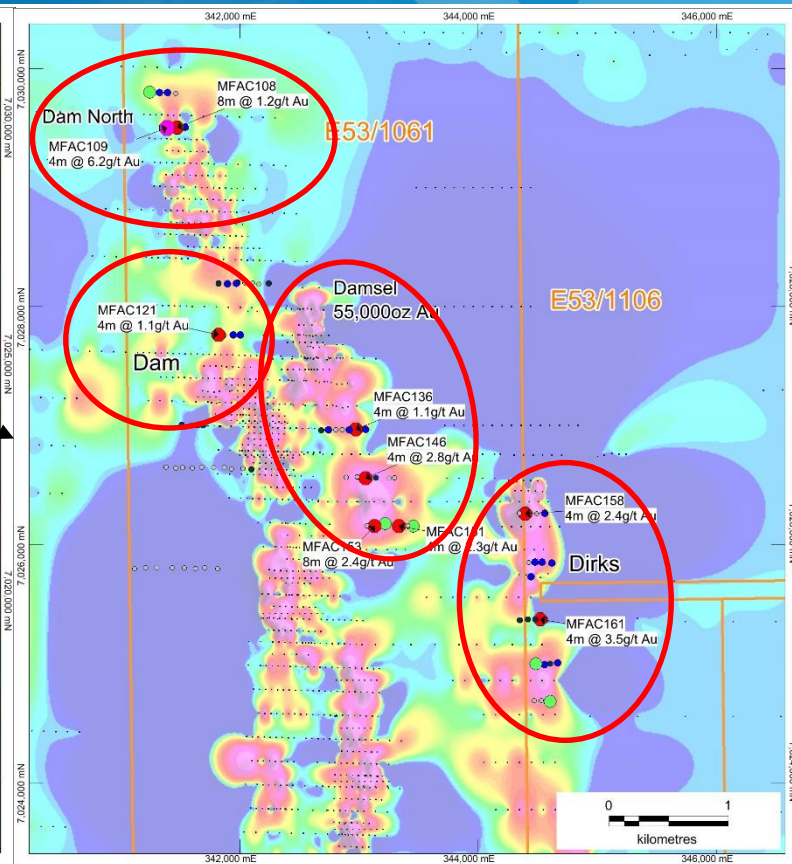
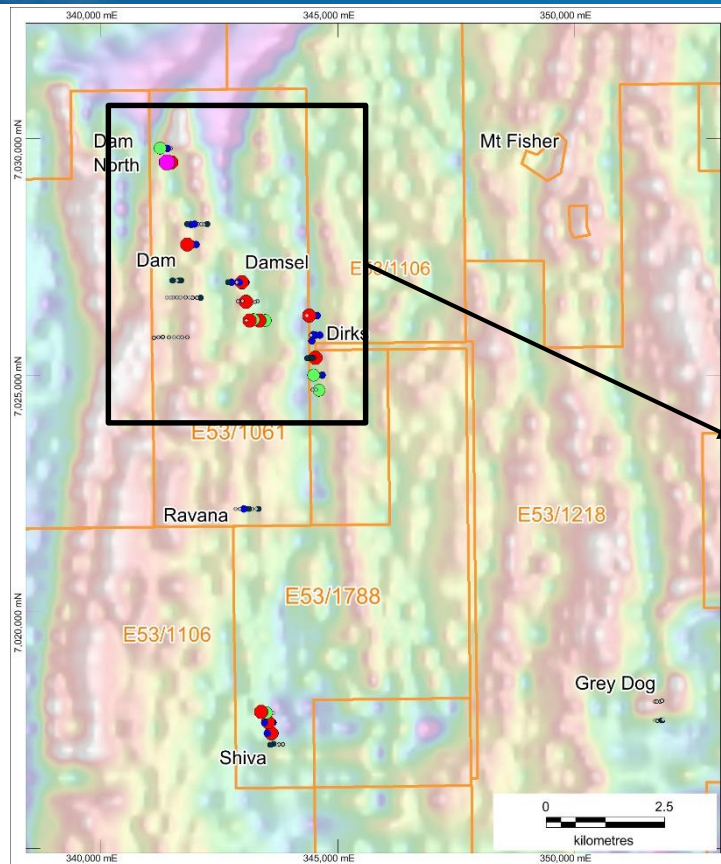
Drilling below 150m

RC	50 holes	3,260m	11%
DD	41 holes	3,573m	32%
TOTAL	91 holes	6,833m	3%

Exceptional Recent Results

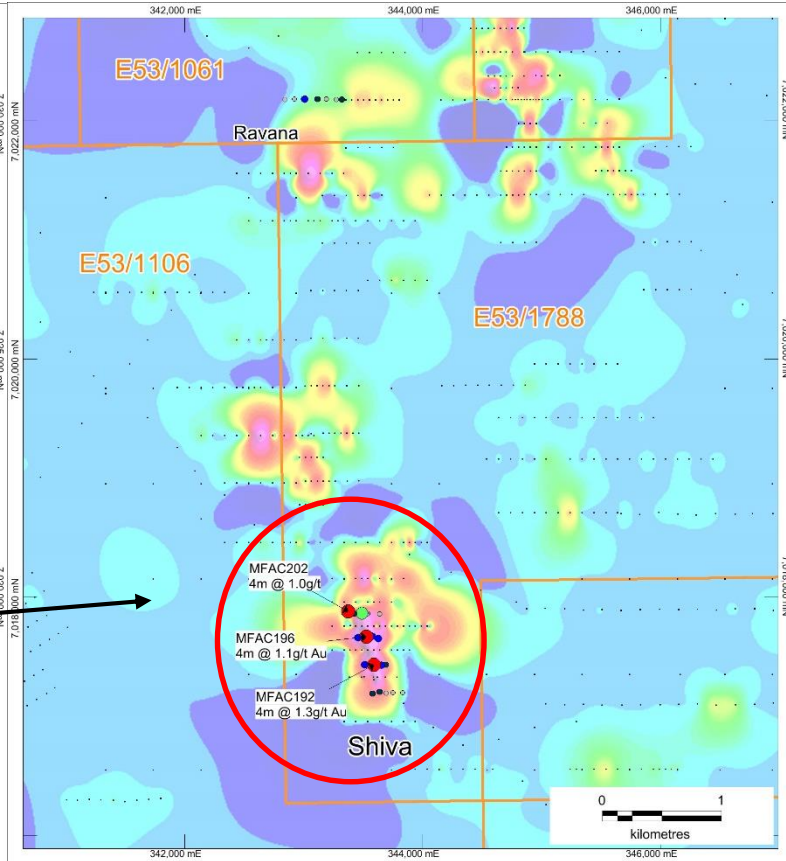
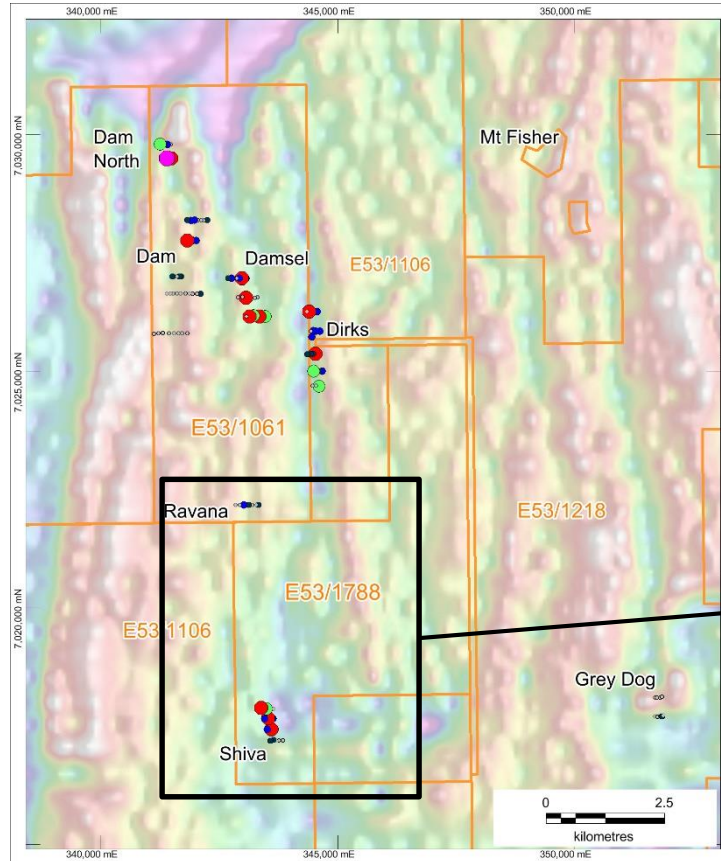


- 300m anomaly at Dam North
4m @ 6.2 g/t Au
- 200m extension at Dam
- 800m extension to Damsel
4m @ 2.8 g/t Au
- Filled in Dirks over 1km
4m @ 3.5 g/t Au
- RC drilling needed to define resources



More Recent Results

- At Shiva, strong continuous gold anomaly > 1 g/t Au over 500m
- 4m @ 1.3 g/t Au
- RC drilling needed to define resources

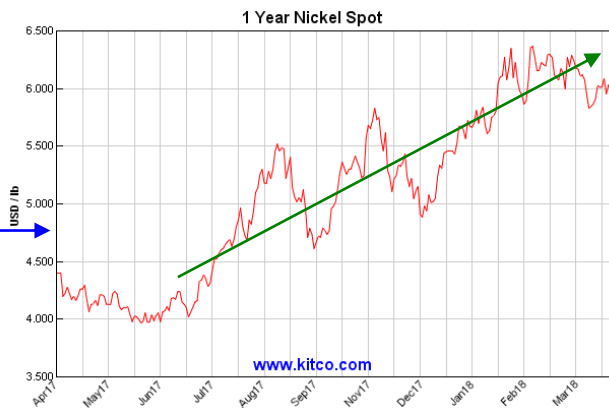


Nickel Market Dichotomy

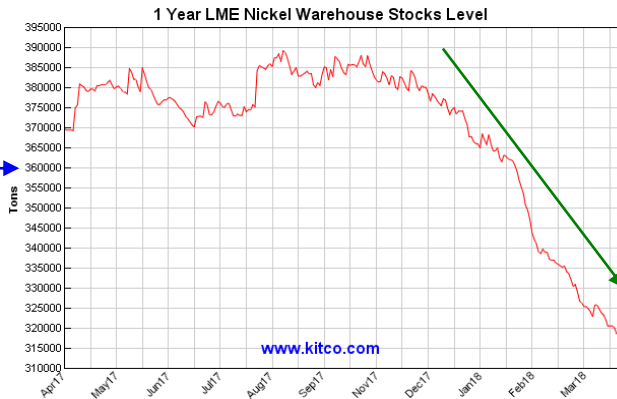
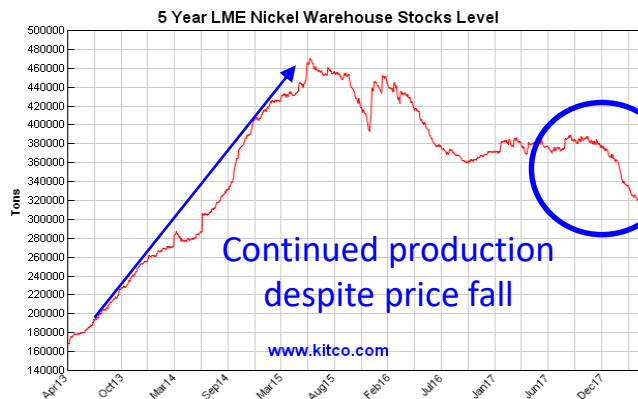
- There are two types of nickel:
 - ❖ **Class 1 (99.9% pure) – suitable for batteries** – comes from sulphide concentrates and refined laterites – 1 Mtpa
 - ❖ **Class 2 (impure) – not suitable for batteries** - direct shipped ore to blast furnace either as low grade ore or nickel pig iron (NPI) product – 1 Mtpa
- LME Stockpiles are only Class 1 nickel
- Supply of cheap Class 2 nickel has depressed nickel price, but shortage now looming in Class 1 nickel
- Capital intensity of laterites is 5 times for same nickel output as sulphides or sulphate



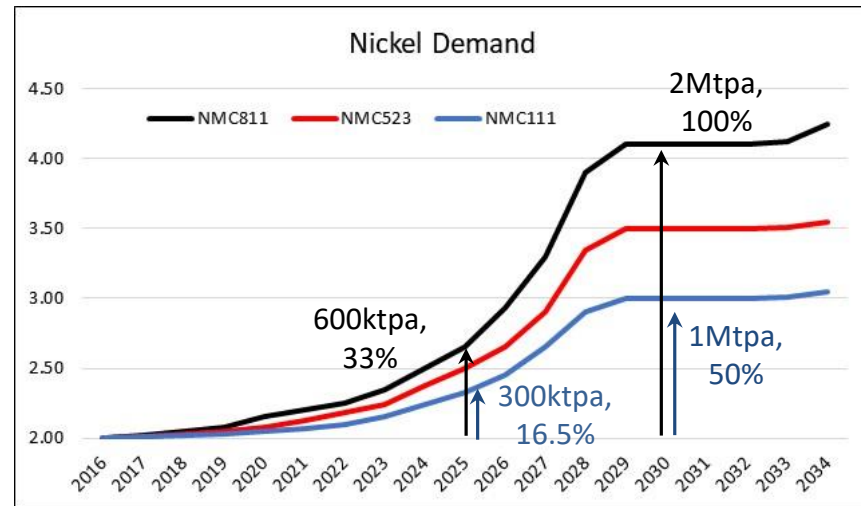
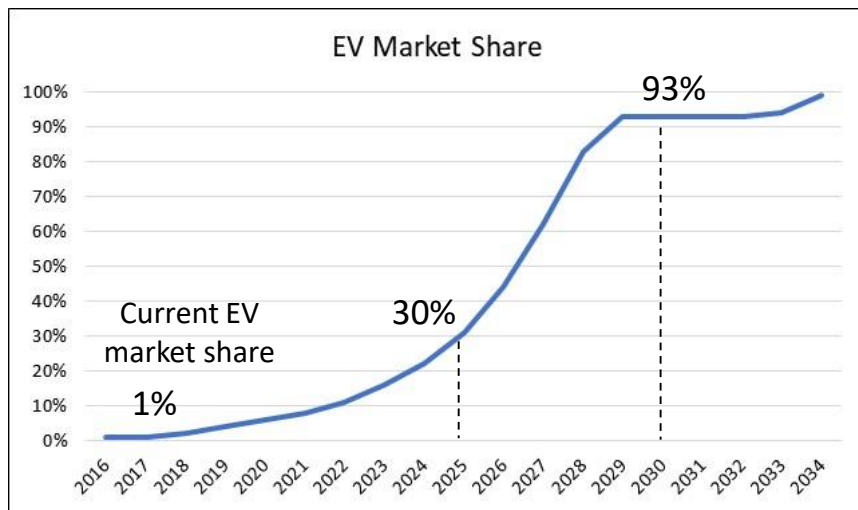
Ni Supply & Demand Trends



- Main end use of Ni is stainless steel (65%) and alloys (20%)
- Nickel stocks are now falling – currently about 16 weeks of supply
- Nickel price is starting to rise
- As nickel stocks continue to fall an increase in price should be realised

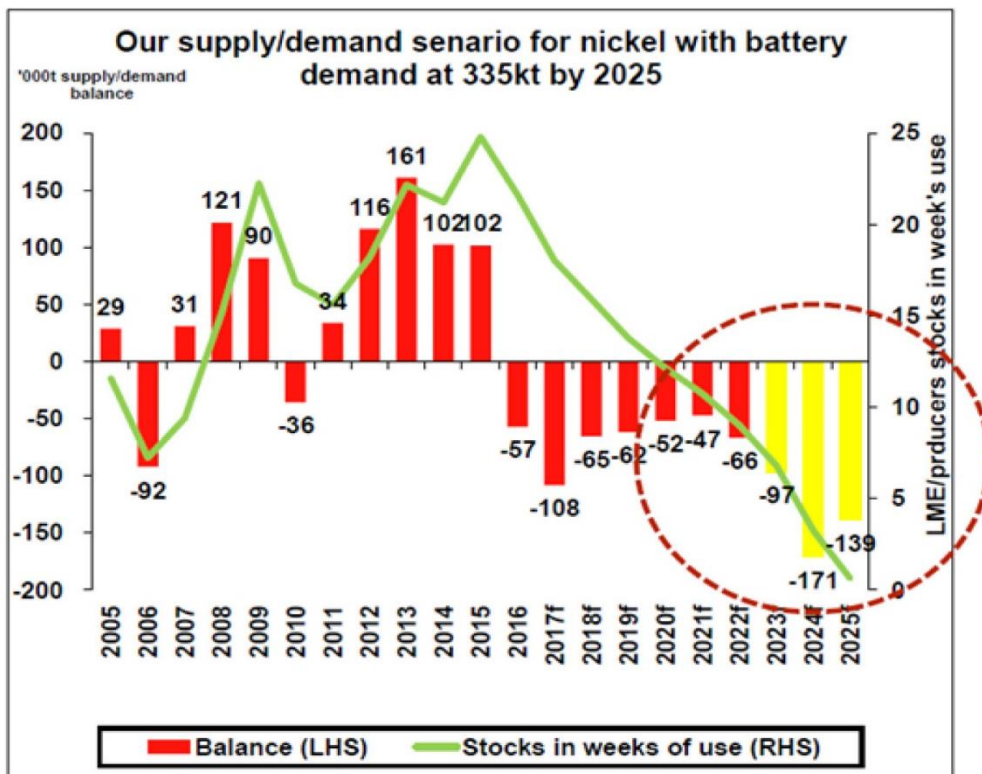


EV Vehicle Take-up



- As conversion to the NMC811 battery takes place, Ni demand should see an increase of ~33% (600kt) by 2025 (8 years), and 100% (2Mt) by 2030. **There simply isn't this supply of nickel.**
- The growth from 2025 to 2030 will be rapid. Typically we under-estimate the speed of technological disruptions
- The move to the EV is obvious, manufacturers are now phasing out ICE cars

Nickel Deficit is Coming



- A decade of nickel surpluses to be followed by a decade of deficits
- Nickel market now in deficit and predicted to stay in deficit
- When will supply-demand pressures start to affect nickel prices?

Nickel Production Impetus

- Increasing demand from switch from ICEs to EVs will be 300 – 600 ktpa, triggering a shortage in Class 1 nickel – predicted to be in deficit for at least next 8 years
- By 2030, will need 1 -2 Mtpa more Class 1 Ni
- Where will this production come from?
- Lack of idled class 1 nickel production of this scale
- Will need a much higher incentive Ni price to make this happen (>US\$20,000/t)



Corporate Information



Key Information

ASX Code: RXL

Share Price: A\$0.014

Shares: 1,259M

Unlisted Options: 65.8M

Market Cap: \$17.8M

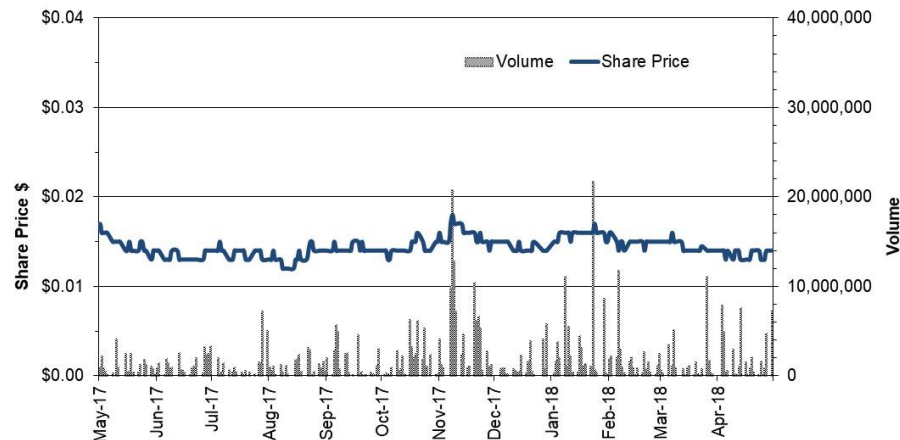
Cash* (at 31 Mar 2018): \$11.5M

EV: \$6.3M

Top 20: 22%

Cash Backing of
\$0.01/share

Rox Share Price, Last 12 Months



* Plus \$3.75 million deferred payment from Teck for Reward sale

Forward Strategy



- **Cashed Up**

- *\$15 million in cash plus receivables*

- **Nickel**

Continue to explore and grow resources – drilling

Continually assess development options & opportunities

Leverage for the improving nickel price

- **Gold**

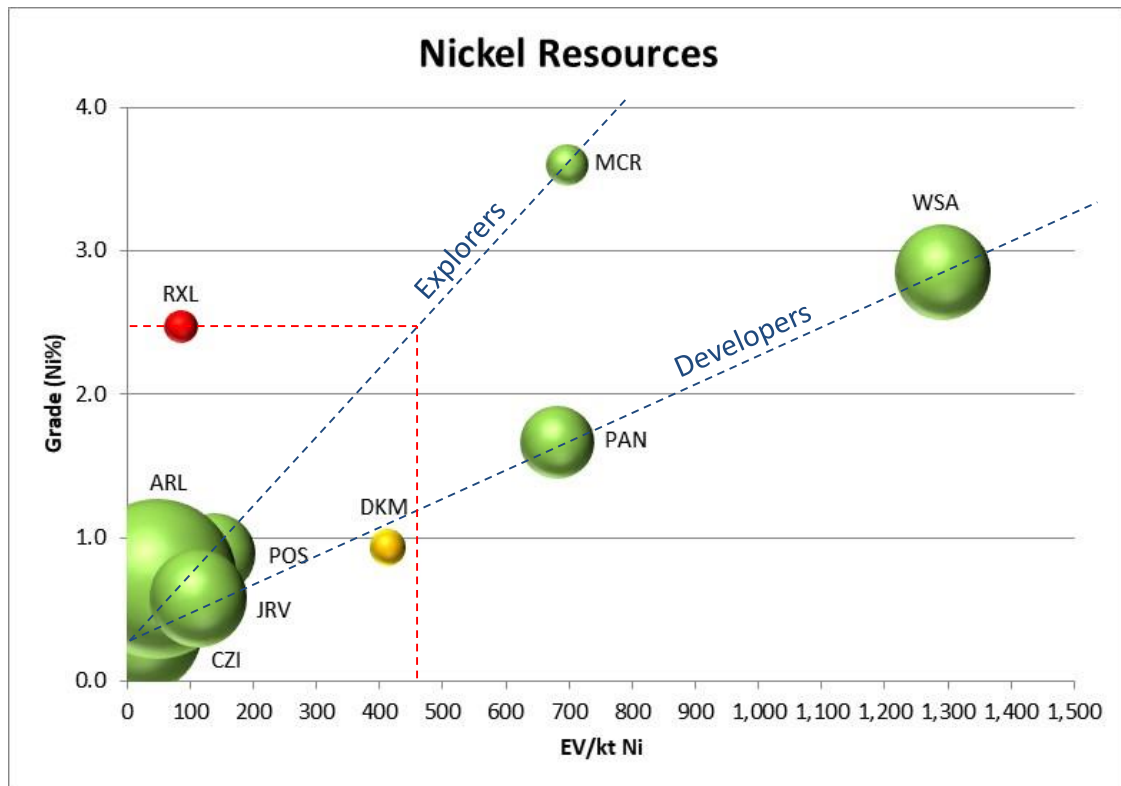
Spinout into new ASX listed company – Helios Gold

Aim is to establish > 500,000 ounce in gold resources

- **New Projects**

Continued search to add shareholder value

Value Proposition



Bubble size relates to amount of contained nickel

- Two relationships between EV/kt Ni and Ni grade – explorers and developers
- RXL EV/kt Ni is ~\$460/kt Ni = \$30 million
- Cash & receivables have an NPV ~\$14.0m
- Rox's market cap should be ~\$44m (~3.5 cents/share)
- Independent research* has valued Rox at just that

*e.g. Bell Potter, Stock Analysis



Thank You

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Competent Person Statements

Resource Statements

The information in this report that relates to nickel Mineral Resources for the Olympia deposit was reported to the ASX on 18 August 2017 (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 18 August 2017, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 18 August 2017 continue to apply and have not materially changed.

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 gold Mineral Resources for the Mt Fisher project was reported to the ASX on 28 March 2018 (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 28 March 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 28 March 2018 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 and Mt Fisher (ASX:RXL Between 1 April 2011 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, ASX:RXL 10 October 2017).

In the case of the Exploration Results 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.

Appendix – Mineral Resources



Fisher East Nickel, ASX:RXL 5 February 2016

Deposit	Category	Tonnes (Mt)	Ni%	Ni (kt)
Camelwood	Indicated	0.99	2.56	25.3
	Inferred	0.08	2.52	2.0
	Total	1.06	2.56	27.3
Cannonball	Indicated	0.15	3.43	5.1
	Inferred	0.01	2.41	0.2
	Total	0.16	3.38	5.3
Musket	Indicated	0.79	2.21	17.4
	Inferred	0.03	1.94	0.7
	Total	0.82	2.20	18.0
TOTAL	Indicated	1.92	2.49	47.8
	Inferred	0.12	2.35	2.9
	Total	2.04	2.48	50.6

Olympia Nickel-Copper-PGE, ASX:RXL 18 August 2017

Tonnes	Ni %	Cu %	Co ppm	Pd ppm	Pt ppm	NiEq %*	NiEq (kt)	Pd+Pt (oz)
573,000	1.63	1.19	820	1.49	0.85	2.36	13.5	42,971

*NiEq = (Ni grade x Ni price x Ni recovery + Cu grade x Cu price x Cu recovery) / (Ni price x Ni recovery)
 Where Ni price = US\$10,300/t, Ni recovery = 85% (assumed), Cu price = US\$6,322/t, Cu recovery = 85% (assumed)

Mt Fisher Gold, ASX:RXL 28 March 2018

Deposit	Category	Tonnes	Uncut		Cut		
			Grade (g/tAu)	Metal (Ozs)	Grade (g/tAu)	Metal (Ozs)	Value (g/tAu)
Moray Reef	Measured	25,700	10.84	8,957	7.96	6,577	80
	Indicated	4,900	6.09	959	5.95	937	80
	Inferred	1,200	3.87	149	3.87	149	80
	TOTAL	31,800	9.85	10,066	7.50	7,664	80
Mt Fisher	Measured	119,600	3.72	14,304	3.60	13,843	50
	Indicated	56,700	3.62	6,599	3.62	6,599	50
	Inferred	38,900	3.44	4,302	3.41	4,265	50
	TOTAL	215,200	3.64	25,206	3.57	24,707	50
Damsel	Measured	26,600	2.91	2,489	2.68	2,292	30
	Indicated	143,300	2.47	11,380	2.39	11,011	30
	Inferred	556,100	2.34	41,837	2.26	40,407	30
	TOTAL	726,000	2.39	55,705	2.30	53,710	30
TOTAL	Measured	171,900	4.66	25,750	4.11	22,712	
	Indicated	204,900	2.87	18,938	2.82	18,548	
	Inferred	596,200	2.41	46,288	2.34	44,821	
	TOTAL	973,000	2.91	90,976	2.75	86,080	

Fisher East: 1.5% Ni block cut-off grade. Values may not sum due to rounding.

Mt Fisher: 0.8 g/tAu block cut-off grade. Values may not sum due to rounding.

Olympia: 1.0% Ni block cut-off grade. Values may not sum due to rounding.