

30 July 2018

# Quarterly Report

For the period ending 30 June 2018

## Highlights

- **Fisher East Nickel Project, WA**

- Diamond drilling returns strong nickel results which include the following highlights:
  - **4.3m @ 2.0% Ni** from 701.7m in hole MFED080 at Musket, including **0.3m** of massive sulphides grading **8.1% Ni** from 701.7m,
  - **2.4m @ 2.4% Ni** from 718.3m in hole MFED076W1 at Camelwood, including **0.2m** of massive sulphides grading **5.2% Ni** from 718.9m, and
  - **0.3m @ 7.5% Ni** of massive sulphides from 288.8m in hole MFED081 at Camelwood
- Diamond drilling extended both the Camelwood and Musket orebodies by a further 150m each in depth
- Aircore drilling underway at the Sholl Range prospect
- Option exercised to acquire two strategic gold and nickel tenements

- **Collurabbie Nickel-Copper-PGE-Gold Project, WA**

- Aircore drilling program which comprised 109 holes for 3,910m was completed
- Follow-up RC and diamond drilling planned for the next quarter

- **Mt Fisher Gold Project, WA**

- Plans announced to spinout gold project tenements into subsidiary Helios Gold
- New mineral resource of **1.0Mt @ 2.7 g/tAu** for 89,000 ounces estimated

- **Bonya Copper Project, NT**

- Settlement of tenement sale (\$550,000 in Thor shares) expected during the next quarter

- Cash on hand at the end of the quarter was \$10.4 million

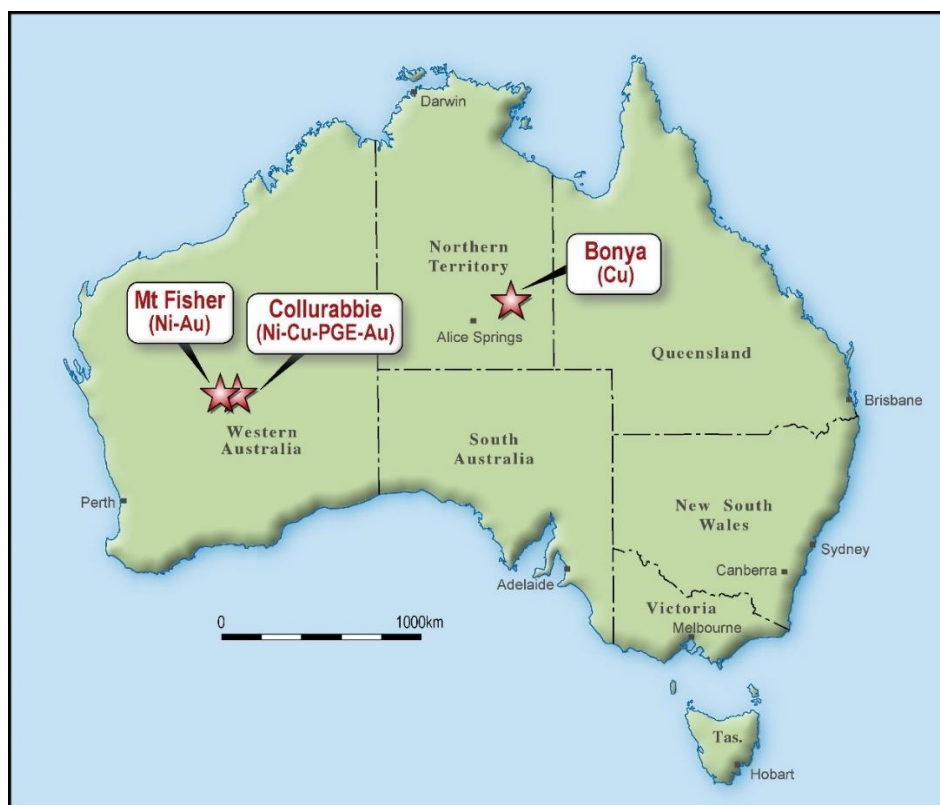


Figure 1: Rox Project Location Map

### ***Fisher East Nickel Project, WA***

A 4-hole diamond drilling program for 2,335m was completed during the quarter. The primary aim of the program was to test for extensions to existing resources, so that ultimately a larger resource base can be defined at Fisher East.

The results received from the drill program were both successful and extremely encouraging, intersecting massive sulphides at depth at Musket and Camelwood (Figures 3 and 4) (ASX:RXL 6 June 2018), which include the following highlights:

- **4.3m @ 2.0% Ni** from 701.7m in hole MFED080 at Musket, including **0.3m** of massive sulphides grading **8.1% Ni** from 701.7m,
- **2.4m @ 2.4% Ni** from 718.3m in hole MFED076W1 at Camelwood, including **0.2m** of massive sulphides grading **5.2% Ni** from 718.9m, and
- **0.3m @ 7.5% Ni** of massive sulphides from 288.8m in hole MFED081 at Camelwood.

### Musket

Hole MFED080 was drilled to test a strong downhole EM anomaly (Figure 4), intersecting **4.3m @ 2.0% Ni** from 701.7m downhole depth, including **0.3m** of massive sulphides **@ 8.1% Ni** from 701.7m (see photo). The remainder of the mineralised interval consisted of disseminated and matrix nickel sulphides to 706.0m.

The hole has extended mineralisation by over 170m outside of the current resource, being a better result than the nearest holes (Figure 5), which include MFED059 (1.4m @ 1.4% Ni from 450.4m downhole), MFED064 (0.7m @ 3.6% Ni from 457.5m downhole) and MFED079 (0.5m @ 4.7% Ni from 522.5m downhole).

### Camelwood

Hole MFED076W1 (Figure 4) was a wedge off a previous hole MFED076 (Figure 6) and intersected **2.4m @ 2.4% Ni** from 718.3 downhole, including **0.2m** of massive sulphide **@ 5.2% Ni** from 718.9m. The remainder of the mineralised interval was blebby and matrix sulphides to 720.7m downhole.

This hole extends the Camelwood mineralisation deeper by over 150m from the existing resource. Nearest drill holes are MFED076 (7.7m @ 1.4% Ni from 693.3m downhole) and MFED036 (1.6m @ 3.7% Ni from 569.0m downhole) (Figure 6).

Hole MFED081 (Figure 4) intersected **0.3m** of massive sulphide **@ 7.5% Ni**. This zone is an occlusion in the felsic sediment footwall, being a thin dyke of ultramafic that has intruded the felsic sediment. As such, it is interpreted to be at the margin of the ultramafic unit and therefore would terminate mineralisation further north.

### Other Activities

A ground gravity survey was completed along the Camelwood to Horatio trend (Figure 7) and has assisted in understanding the distribution of the Fisher East ultramafic horizon. Ground gravity was also completed over the Sholl Range prospect.

An Option to acquire two tenements was exercised during the quarter (ASX:RXL 3 July 2018). One tenement, E53/1802 (Figure 3), is prospective for nickel, while the other tenement, E53/1788 (Figure 8) is prospective for gold.

### Upcoming Activities

Aircore drilling at Fisher East (1,200m) is now underway to test a new target at Sholl Range, some 35km south of Camelwood (Figure 3) where a nickel rock chip anomaly was found by the Geological Survey of Western Australia. Ground gravity was completed first to enable the target

interpreted ultramafic horizon to be defined.

**Table 1: Diamond Drilling Assay Results**

Hole	East	North	Depth (m)	Dip	Azimuth	From (m)	To (m)	Interval	Ni%	m%	Prospect
MFED076W1	356460	7035843	758.2	-73	265	718.3	720.7	2.4	2.4	5.8	Camelwood
<i>including</i>						718.9	719.1	0.2	5.2		
MFED080	356899	7034248	751.1	-72	260	701.7	706.0	4.3	2.0	8.6	Musket
<i>including</i>						701.7	702.0	0.3	8.1		
MFED081	355987	7035994	325.1	-68	255	288.8	289.1	0.3	7.5	2.3	Camelwood
MFED082	357135	7032340	500.1	-78	240	NSR					Corktree

Notes to Table:

- Grid coordinates GDA94: Zone 51, collar positions determined by hand held GPS.
- Hole azimuths generally planned as 260-270 degrees, downhole deviations result in hole paths slightly different to those intended.
- 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.
- NSR = No Significant Result.



Figure 2: Fisher East and Collurabbie Project Locations

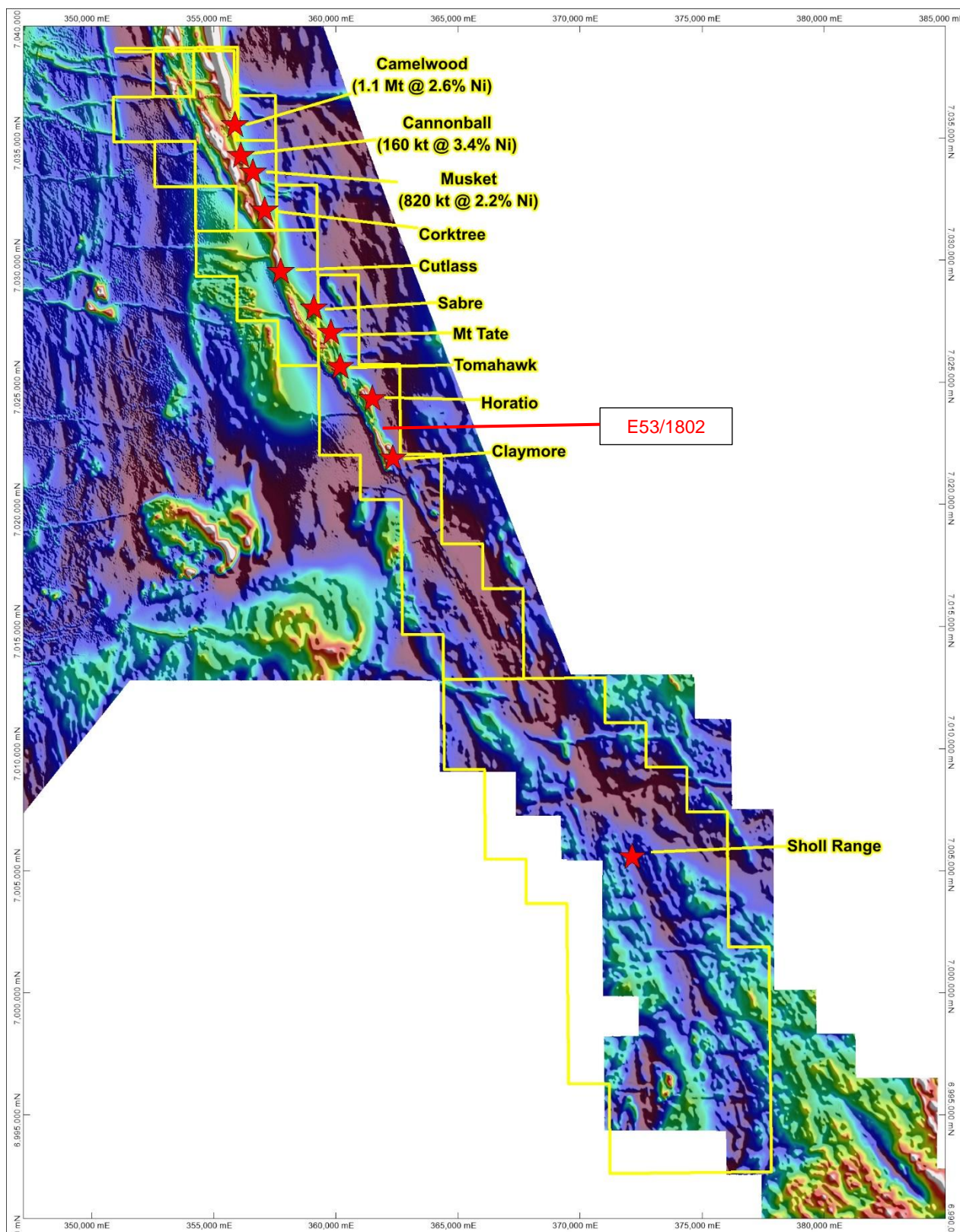


Figure 3: Fisher East Prospect Locations over magnetics

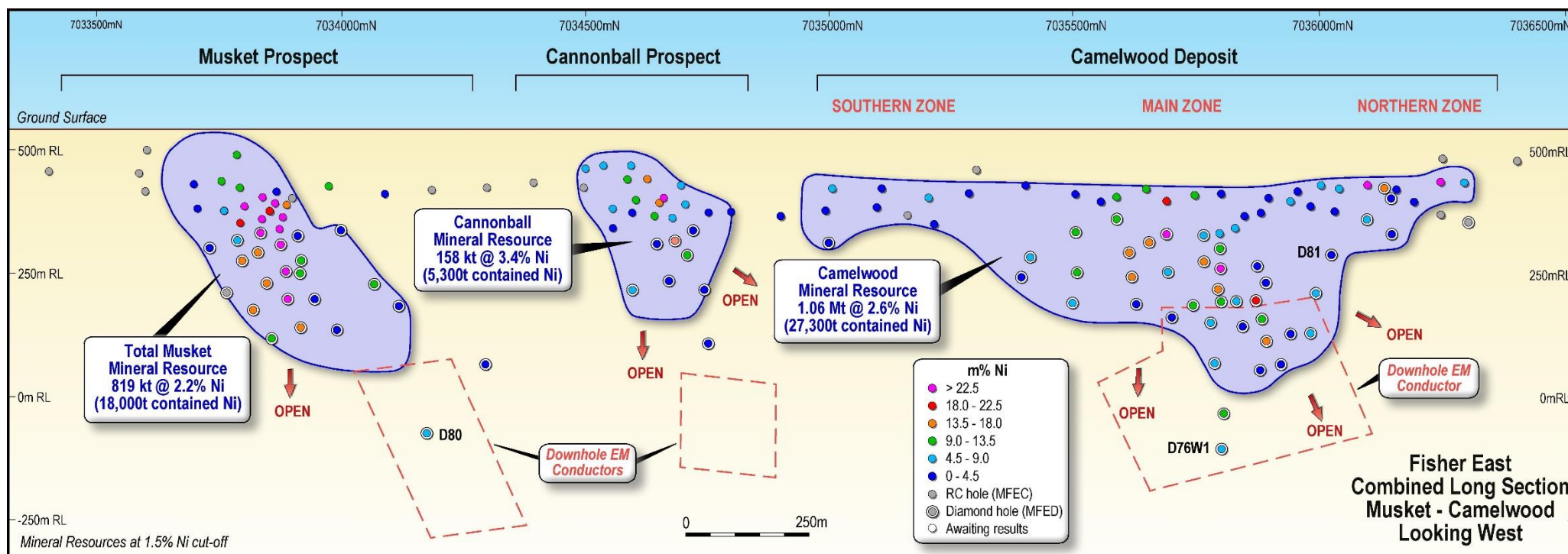


Figure 4: Musket - Camelwood Long Section (the red stars indicate the targets to be drilled)

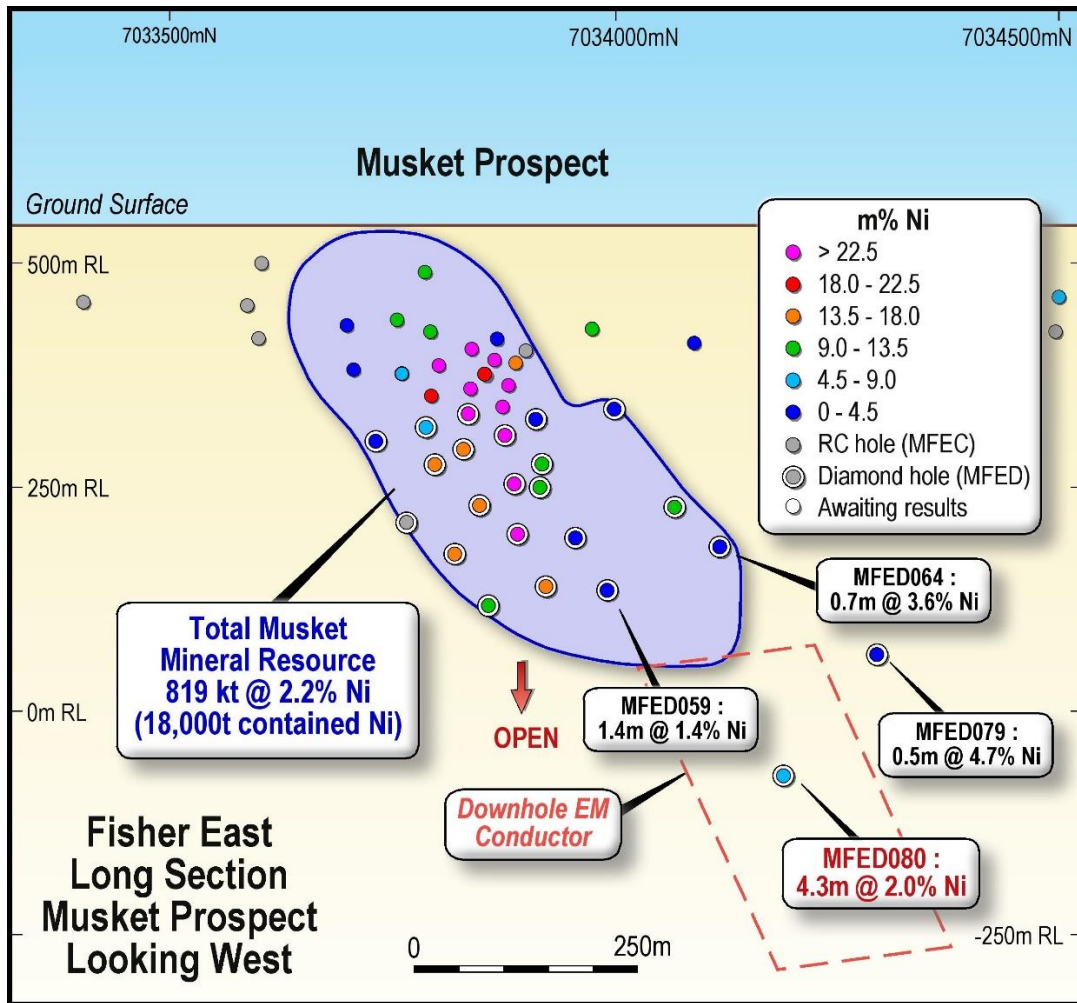


Figure 5: Musket Long Section

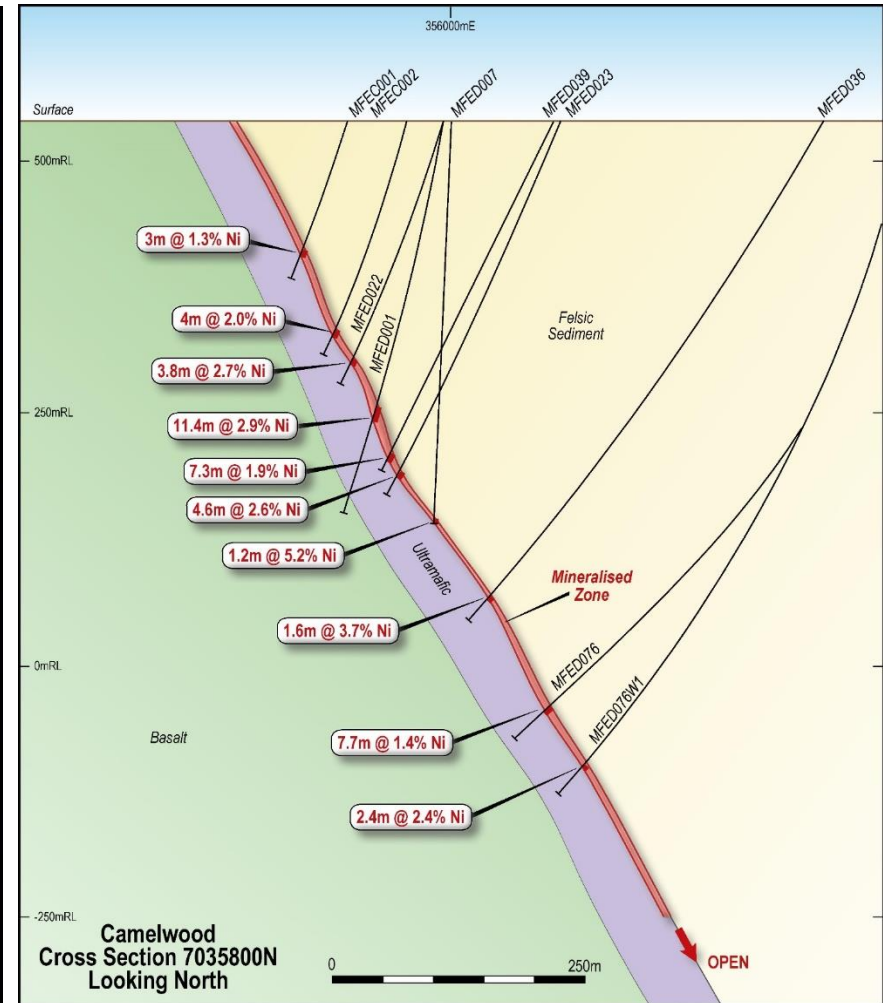


Figure 6: Camelwood Cross Section 7035800N

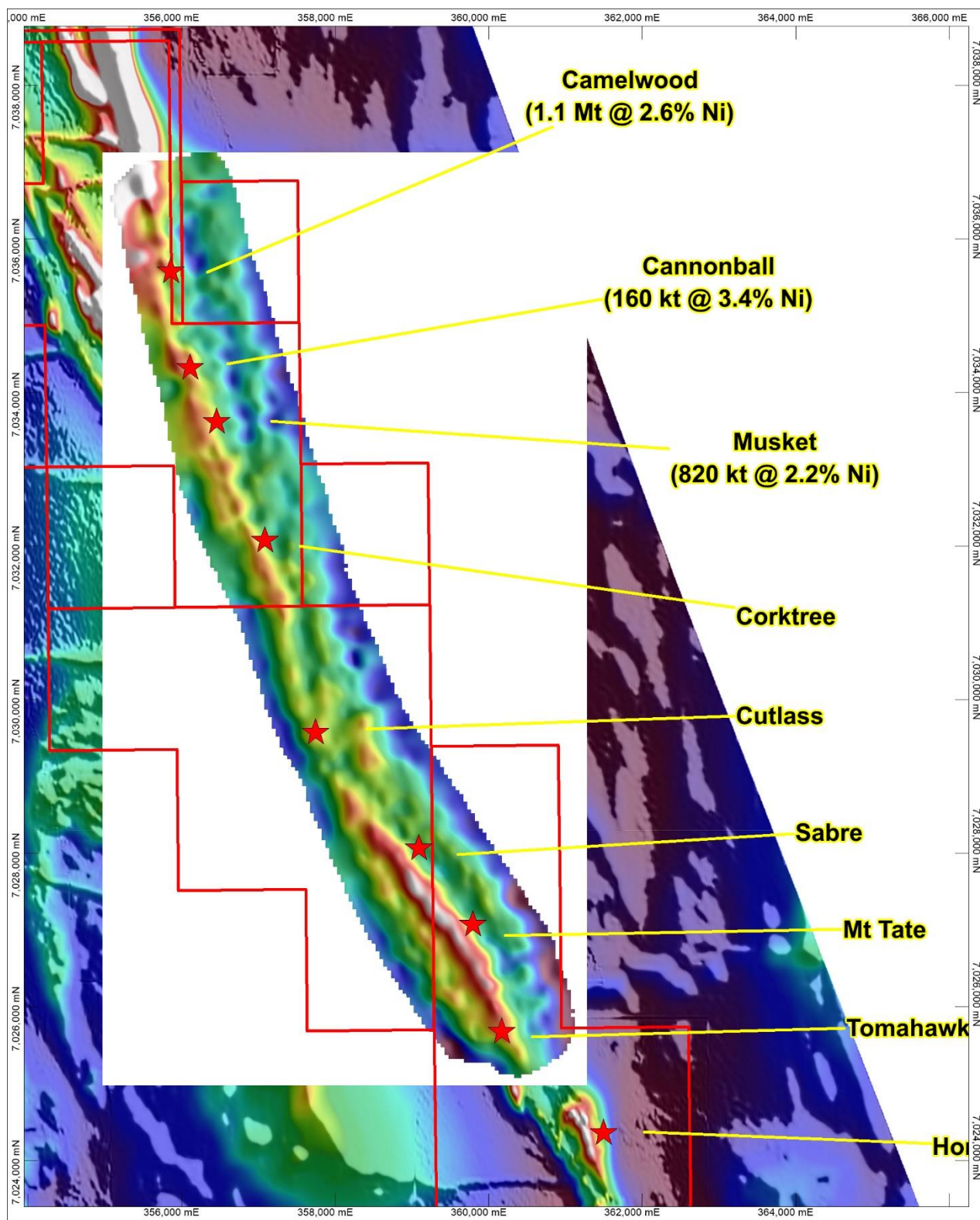


Figure 7: Camelwood to Horatio Gravity Residuals Image (over magnetics)

## ***Mt Fisher Gold Project, WA***

### Resource Update

An updated mineral resource estimate (to JORC 2012) was released during the previous quarter (ASX:RXL 28 March 2018), but was further refined with new bulk density data subsequently acquired by the Company (ASX:RXL 11 July 2018).

The Mineral Resource has now been upgraded to 1.0Mt @ 2.7 g/t Au for 89,000 ounces, comprising:

- Measured 170,000t @ 4.1 g/t Au for 23,000 ounces
- Indicated 220,000t @ 2.7 g/t Au for 19,000 ounces
- Inferred 630,000t @ 2.3 g/t Au for 47,000 ounces

Details are given in Tables 2 and 3 below.

**Table 2: Mineral Resources – Mt Fisher, 0.8 g/tAu minimum cut-off**

Deposit	Category	Tonnes	Uncut		Cut		
			Grade (g/tAu)	Metal (oz Au)	Grade (g/tAu)	Metal (oz Au)	Value g/tAu
<b>Damsel</b>	Inferred	591,820	2.29	43,627	2.23	42,339	30
	Indicated	151,464	2.33	11,358	2.27	11,060	30
	Measured	23,712	2.80	2,135	2.59	1,974	30
	<b>TOTAL</b>	<b>766,997</b>	<b>2.32</b>	<b>57,120</b>	<b>2.25</b>	<b>55,373</b>	30
<b>Mt Fisher</b>	Inferred	40,934	3.44	4,528	3.41	4,494	50
	Indicated	59,533	3.63	6,948	3.63	6,948	50
	Measured	125,605	3.73	15,045	3.61	14,569	50
	<b>TOTAL</b>	<b>226,073</b>	<b>3.65</b>	<b>26,521</b>	<b>3.58</b>	<b>26,011</b>	50
<b>Moray Reef</b>	Inferred	1,242	3.87	155	3.87	155	80
	Indicated	4,930	6.09	966	5.95	943	80
	Measured	25,521	10.92	8,960	8.02	6,577	80
	<b>TOTAL</b>	<b>31,693</b>	<b>9.89</b>	<b>10,081</b>	<b>7.53</b>	<b>7,675</b>	80
<b>TOTAL</b>	Inferred	633,997	2.37	48,309	2.31	46,987	
	Indicated	215,928	2.78	19,273	2.73	18,951	
	Measured	174,838	4.65	26,140	4.11	23,121	
	<b>TOTAL</b>	<b>1,024,762</b>	<b>2.84</b>	<b>93,721</b>	<b>2.70</b>	<b>89,059</b>	

**Table 3: Resource Summary at Different Cut-offs**

Cut-off	Tonnes	Grade (g/tAu)		Metal (oz Au)	
		Uncut	Cut	Uncut	Cut
3.0	306,622	5.13	4.66	50,529	45,930
2.0	584,931	3.88	3.64	73,022	68,369
1.0	975,633	2.94	2.79	92,244	87,584
<b>0.8</b>	<b>1,024,762</b>	<b>2.84</b>	<b>2.70</b>	<b>93,721</b>	<b>89,059</b>
0.0	1,089,856	2.71	2.57	94,881	90,218

*\* Figures may not add up because of rounding errors*

During the previous quarter it was announced that Rox would sell its interest in the Mt Fisher gold tenements to wholly-owned subsidiary Helios Gold Limited ("Helios"), preceding an IPO and listing of Helios on the ASX. Work on the preparation of documentation for the ASX listing progressed during the quarter. It is anticipated that a schedule for the listing and IPO, and the new Board of Directors of Helios will be announced soon.

During the quarter, the Option over tenement E53/1788 (Figure 8) was exercised. This tenement will be part of the package sold to Helios. The tenement hosts the Shiva prospect where gold mineralisation > 1 g/tAu has been interested, continuous over 500m of strike.

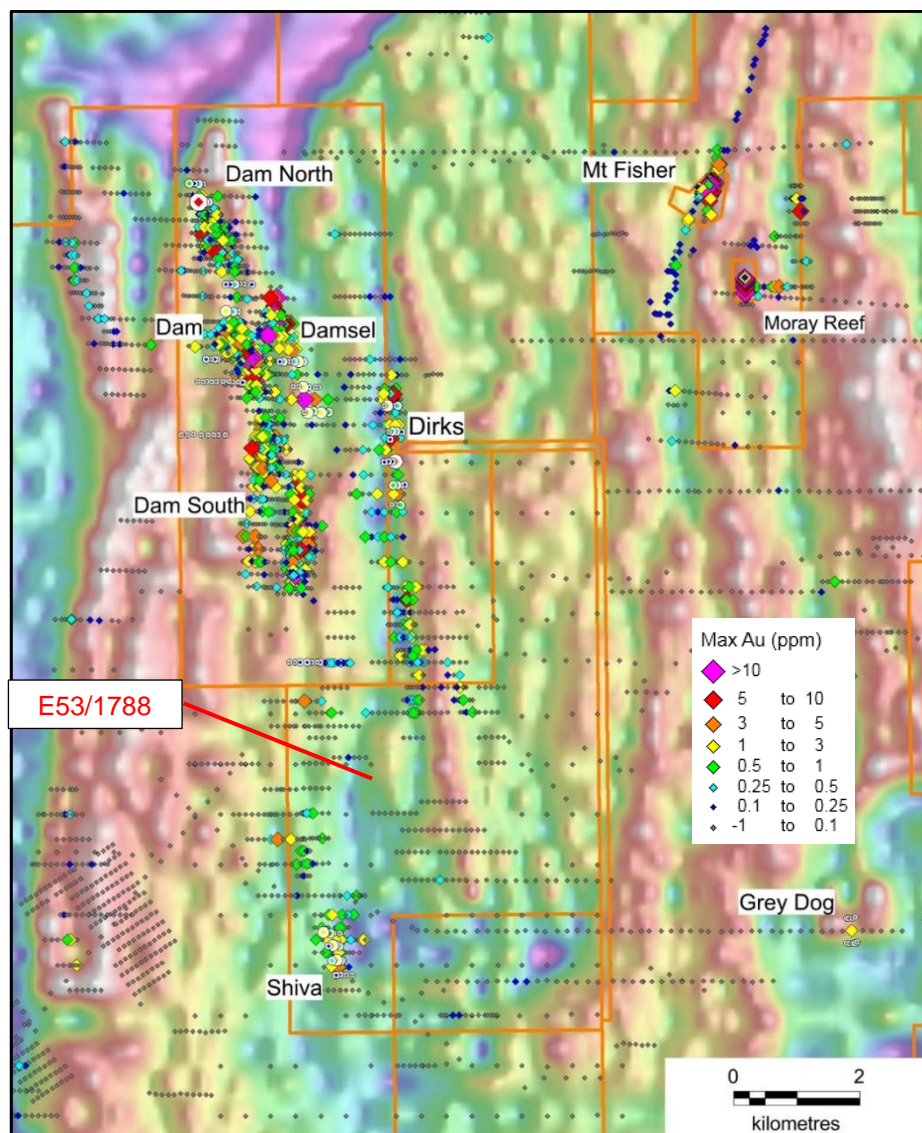


Figure 8: Mt Fisher Prospect Locations showing all drilling results

### **Collurabbie Nickel-Copper-PGE-Gold Project, WA**

Aircore drilling to follow up and extend the anomalous results generated from a previous program in the December quarter of 2017, was completed at Collurabbie during the quarter

A total of 109 holes for 3,910m were drilled, with assays currently pending.

Based on observations from this aircore drilling, and the results of previous drilling carried out at Collurabbie, a follow-up RC and diamond drilling program is planned for the next quarter.

***Bonya Copper Project, NT***

Completion of the sale of the Company's interests at Bonya to Thor Mining PLC for \$550,000 in Thor shares is expected during the next quarter. The Thor shares will be escrowed for three months once they are issued to Rox after all government consents for the tenement interest transfer are received.

***Corporate***

As of 30 June 2018, the Company's cash balance was \$10.4 million.

The Company is continuing to evaluate new growth opportunities to expand its current portfolio of resource projects.

Dated this 30th day of July 2018.

Signed on behalf of the Board of Rox Resources Limited.



**IAN MULHOLLAND**  
**Managing Director**

## **Competent Person Statements:**

### **Resource Statements**

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.

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 nickel Mineral Resources for the Collurabbie project 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.

### **Exploration Results**

The information in this report that relates to previous Exploration Results, was either prepared and first disclosed under the JORC Code 2004 or under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of original announcement to ASX. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, they have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has a number of key assets at various levels of development with exposure to gold, nickel, copper and platinum group elements (PGE's), including the Mt Fisher Gold Project (WA), the Fisher East Nickel Project (WA), the Collurabbie Nickel-Copper-PGE Project (WA), and the Bonya Copper Project (NT).

### Fisher East Nickel Project (100% + Option to Purchase)

The Fisher East nickel project is located in the North Eastern Goldfields region of Western Australia and hosts several nickel sulphide deposits. The total project area is ~350km<sup>2</sup>, consisting of a ~300km<sup>2</sup> area 100% owned by Rox and an Option to purchase area of a further 50km<sup>2</sup> of nickel prospective ground.

Discovery of, and drilling at the Camelwood, Cannonball and Musket nickel prospects has defined a JORC 2012 Mineral Resource (ASX:RXL 5 February 2016) of **2.0Mt grading 2.5% Ni** reported at 1.5% Ni cut-off (Indicated Mineral Resource: 1.9Mt grading 2.5% Ni, Inferred Mineral Resource: 0.1Mt grading 2.3% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing **50,600 tonnes of nickel**. Higher grade mineralisation is present in all deposits (refer to ASX announcement above) and is still open at depth beneath each deposit. Additional nickel sulphide deposits continue to be discovered (e.g. Sabre) and these will add to the resource base. Exploration is continuing to define further zones of potential nickel sulphide mineralisation.

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

The Mt Fisher gold project is located in the North Eastern Goldfields region of Western Australia, adjacent to the Fisher East nickel project, and hosts several gold deposits. The total project area is ~220km<sup>2</sup>, consisting of a ~170km<sup>2</sup> area 100% owned by Rox and an Option to purchase area of a further 30km<sup>2</sup> of gold prospective ground.

Drilling by Rox has also defined numerous high-grade gold targets and a JORC 2012 Measured, Indicated and Inferred Mineral Resource (ASX:RXL 11 July 2018) of **1.0 million tonnes grading 2.7 g/t Au** reported at a 0.8 g/tAu cut-off exists for **89,000 ounces of gold** (Measured: 170,000 tonnes grading 4.1 g/t Au, Indicated: 220,000 tonnes grading 2.7 g/t Au, Inferred: 630,000 tonnes grading 2.3 g/t Au) aggregated over the Damsel, Moray Reef and Mt Fisher deposits.

### Collurabbie Gold-Nickel Project (100%)

The Collurabbie project is located in the highly prospective North Eastern Goldfields region of Western Australia and is prospective for gold and nickel. The project area of 123km<sup>2</sup> hosts the Olympia nickel sulphide deposit and a number of other prospects for nickel sulphide mineralisation. A JORC 2012 Inferred Mineral Resource of **573,000t grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt** has been defined at Olympia (ASX:RXL 18 August 2017). The style of nickel sulphide mineralisation is different to that at Fisher East, with a significant copper and PGE component at Collurabbie, and has been compared to the Raglan nickel deposits in Canada (>1Mt contained nickel).

In addition, there is potential for gold mineralisation, with several strong drilling intersections including **2m @ 2.4g/t Au** from the Naxos prospect.

### Bonya Copper Project (40%)

Rox (40%) has entered into an agreement with Thor Mining PLC to sell its interest in the Bonya project for A\$550,000 in Thor shares (29 March 2018). Completion is expected during the next quarter.

## Appendix 5B

### Name of entity

ROX RESOURCES LIMITED

### ABN

53 107 202 602

### Quarter ended ("current quarter")

30-Jun-18

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation	(973)	(1,995)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(108)	(691)
	(e) administration and corporate costs	(94)	(680)
1.3	Dividends received	-	-
1.4	Interest received	80	234
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - JV Advances	(39)	(39)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,134)</b>	<b>(3,171)</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Litigation Settlement & Costs)	-	(334)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(334)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,512	13,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,134)	(3,171)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(334)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,378</b>	<b>10,378</b>

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,032	1,178
5.2	Call deposits	9,346	10,334
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,378</b>	<b>11,512</b>

6 <b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1    Aggregate amount of payments to these parties included in item 1.2	159
6.2    Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3    Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Includes salaries, fees and superannuation to executive and non-executive directors.	

7 <b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1    Aggregate amount of payments to these parties included in item 1.2	-
7.2    Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3    Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
n/a	

8 <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1    Loan facilities	-	-
8.2    Credit standby arrangements	-	-
8.3    Other (please specify)	-	-
8.4    Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
n/a		


<b>9</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	145
9.5	Administration and corporate costs	110
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>755</b>

<b>10</b>	<b>Changes in tenements (items 2.1(b) &amp; 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL29701 P53/1625	certain minerals owned	51% 100%	40% all minerals 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1788 E53/1802	owned owned	0% 0%	100% 100%

Refer to Annexure 1 for full list of mining tenements.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 30 July 2018

Print name: Brett Dickson

### Annexure 1 - Mining Tenements

Project	Tenement Number	Interest	Interest Held
<b>Mt Fisher, WA</b>	E53/1061	All Minerals	100%
	E53/1106	All Minerals	100%
	E53/1319	All Minerals	100%
	E53/1788	All Minerals	100%
	E53/1836	All Minerals	100%
	M53/09	All Minerals	100%
	M53/127	All Minerals	100%
<b>Fisher East, WA</b>	E53/1218	All Minerals	100%
	E53/1318	All Minerals	100%
	E53/1716	All Minerals	100%
	E53/1802	All Minerals	100%
	E53/1884	All Minerals	100%
	E53/1885	All Minerals	100%
	E53/1886	All Minerals	100%
	E53/1887	All Minerals	100%
	E53/1950	All Minerals	100%
	P53/1496	All Minerals	100%
<b>Collurabbie, WA</b>	E38/2009	All Minerals	100%
	E38/2912	All Minerals	100%
	E38/3193	All Minerals	100%
	P38/4256	All Minerals	100%
	P38/4264	All Minerals	100%
<b>Bonya, NT</b>	EL 29599	All Minerals	100% <sup>1</sup>
	EL 29701	All Minerals	40% <sup>1</sup>

<sup>1</sup> Agreement reached to sell tenements to Thor Mining PLC