

ASX ANNOUNCEMENT

RRL1632D

20 September 2019

Rox Completes \$4 Million Capital Raising to Accelerate Drilling at Gold and Nickel Projects

ROX RESOURCES LIMITED

ASX: RXL

Rox Resources Limited (ASX: RXL) is an Australian listed company with advanced gold and nickel projects in Western Australia: the Youanmi Gold Project, Mt Fisher Gold project, and the Fisher East and Collurabbie Nickel projects.

DIRECTORS

Mr Stephen Dennis
Chairman

Mr Alex Passmore
Managing Director

Mr Brett Dickson
Finance Director

Highlights:

- **A\$4.0 million placement to underpin growth plans at the Youanmi Gold and Fisher East Nickel Projects**
- **Placement demand strongly supported by Australian institutional investors**
- **A total of 166.6 million new shares to be issued at \$0.024, representing a 7.7% discount to last closing price**

Rox Resources Limited (ASX: RXL) ("Rox" or the "Company") is pleased to announce that it has received binding commitments from institutional and sophisticated investors to raise gross proceeds of A\$4.0m by way of a share placement ("Placement"). Taylor Collison acted as sole Lead Manager and Bookrunner to the Placement.

Proceeds from the Placement will enable Rox to accelerate its exploration campaigns across both its Gold and Nickel projects and to:

1. Further define the high-grade, near-surface gold mineralisation at the Youanmi Gold Project; and
2. Implement its exploration plans at the Company's 100% owned Fisher East Nickel Project and the recently announced Mt Eureka JV

A total of 166.6 million fully paid ordinary shares will be issued at a price of \$0.024, which represents a 7.7% discount to the last closing price and a 15.8% discount to the 15-day VWAP of Rox's shares.

With this placement the Company welcomes several new institutional investors to its share register, providing a strong endorsement for the Company's growth strategy in both gold and nickel.

Shares on Issue (pre-Placement)	1,291m
Share Price	\$0.026
Market Cap.	\$33.6m
Cash & Receivables (at 30/06/19), pre-Placement	\$7.8m

Level 1, 34 Colin Street,
West Perth WA 6005

+61 8 9226 0044

admin@roxresources.com.au

www.roxresources.com.au

Managing Director, Mr Alex Passmore, commented: *“Rox is delighted with the strong support for the Placement, and is pleased to welcome a number of high profile domestic institutions as well as new sophisticated investors to the Rox share register. The Company is now well positioned to aggressively accelerate its exploration programs across both its gold and nickel projects and looks forward to updating the market as results arise.”*

Exploration Plans

The Company is targeting resource growth in the coming months with drilling ongoing at Youanmi Gold Project and drilling anticipated to commence at the Fisher East Nickel Project in November.

Youanmi Gold Project – Continued drilling at the project is targeting the northern pit amalgamation concept, new mineralisation in embayments in the Youanmi Granite and at Youanmi South. The project has a resource inventory of 12.4Mt @ 2.97g/t Au for 1.19 million ounces (refer ASX Announcement 17 April 2019), which the Company will be updating prior to the end of the calendar year.

Fisher East Nickel Project – Accelerate drilling at the project targeting the Sabre prospect, which can potentially be brought into resource, adding to the Company’s previously announced Total Mineral Resource of 4.2Mt @ 1.9% Ni for 78,000 tonnes of nickel metal (refer ASX Announcement 5 February 2016). Regional targets at the Company’s recently announced Mt Eureka JV to be drill tested in November 2019. Any additional resource tonnes at this JV are potentially transformative for the project given its current economics (i.e. more tonnes over similar capital expenditure).

Placement Details

The Company has received binding commitments from institutional and sophisticated investors to raise \$4.0 million (before costs) through the issue of 166,666,667 fully paid ordinary shares at an issue price of \$0.024 per share. It is intended that 66,533,721 shares will be issued under the Company’s existing 15% placement capacity in accordance with Listing Rule 7.1 and 100,132,946 shares issued under Listing Rule 7.1A.

Settlement of the Placement is scheduled to occur on Thursday 26th September, with the issue and trading of new shares expected to commence on the 27th September.

Use of Funds

The Company’s current plan calls for exploration expenditure split across Youanmi (56%) and Fisher East (44%) over the coming 12 months. This fund raising will allow for programs to be accelerated and expanded (based on success). More specifically funds will be utilised to meet;

- **Youanmi Gold Project** –continued drilling at the Youanmi Gold Project (“YGP”), targeting the Main Pit area, as well as the Youanmi South, United North, Kathleen and Commonwealth prospects (amongst others) in a 2-Phase Drill Program
- **Fisher East Nickel Project** –accelerated drilling at the Fisher East Nickel Project, comprising both resource drilling at the Sabre prospect (amongst others) and testing of highly prospective regional targets at the Mt Eureka JV (reconnaissance drilling).
- **Working capital & Offer raising costs**

***** ENDS *****

For more information:

Alex Passmore
Managing Director
Rox Resources Limited
Tel: +61 8 9226 0044
admin@roxresources.com.au

Competent Person Statements

Exploration Results

The information in this report that relates to Data and Exploration Results is based on information compiled and reviewed by Mr Gregor Bennett a Competent Person who is a Member of the Australian Institute Geoscientists (AIG) and Senior Geologist at Rox Resources. Mr Bennett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

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

Resource Statements

The information in this report that relates to gold Mineral Resources for the Youanmi Project was reported to the ASX on 17 April 2019 (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 17 April 2019, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 17 April 2019 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 11 July 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 11 July 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 11 July 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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Rox Resources Limited planned exploration program(s) and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward looking statements

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). The 1.2Moz Youanmi Gold Project and the Fisher East Nickel Project (78kt Ni) being the most advanced projects with exploration ongoing at the Mt Fisher Gold Project and the Collurabbie Nickel-Copper-PGE Project.

Youanmi Gold Project (Youanmi Gold Mine 50% and option to increase to 70%, Regional JV's 50% earn-in)

The Youanmi Gold Mine is located 480 km to the northeast of Perth, Western Australia. The Youanmi Mining Centre has produced an estimated 667,000 oz of gold (at 5.47 g/t Au) since discovery in 1901 during three main periods: 1908 to 1921, 1937 to 1942, and 1987 to 1997.

The project is situated in the Youanmi Greenstone Belt, within the Southern Cross Province of the Archaean Yilgarn Craton in Western Australia. The structure of the Youanmi Project is dominated by the north-trending Youanmi Fault Zone. Most of the gold mineralisation seen at the project is hosted within north-northwest splays off the north-northeast trending Youanmi Fault.

The project has a JORC 2012 Minerals Resource (ASX 17 April 2019) of **12.4Mt @ 2.97g/t Au for 1.19 million** (Indicated: 5.5Mt grading 2.67 g/t Au, Inferred: 6.9Mt grading 3.2 g/t Au) aggregated over the Youanmi Near Surface and Youanmi Deeps deposits

Fisher East Nickel Project (100%)

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 ~350km².

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 4.2Mt grading 1.9% Ni reported at 1.0% Ni cut-off (Indicated Mineral Resource: 3.7Mt grading 1.9% Ni, Inferred Mineral Resource: 0.5Mt grading 1.5% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 78,000 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 Eureka Joint Venture (earning 51% and up to 75%)

The Mt Eureka Nickel and Gold Project is located in the Northern Goldfields, about 600km northeast of Kalgoorlie (about 120km east of Wiluna) and immediately to the north of Rox Resources' Mt Fisher Gold and Fisher East Nickel Projects

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 ~123km² 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.

Mt Fisher Gold Project (100%)

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 ~220km².

Drilling by Rox has 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/t Au 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.