

ASX ANNOUNCEMENT

RRL1684D

27 May 2020

Rox Completes \$8.74 million Share Placement and Launches \$4.0 million Share Purchase Plan

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 Collurabie Nickel projects.

DIRECTORS

Mr Stephen Dennis
Chairman

Mr Alex Passmore
Managing Director

Mr Brett Dickson
Finance Director

Dr John Mair
Non-Exec Director

Shares on Issue (pre-Placement)	1,458m
Share Price	\$0.027
Market Cap.	\$39.3m
Cash & Receivables (at 31/03/20), pre-Placement	\$5.7m

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Highlights:

- **A\$8.74 million institutional placement completed to underpin growth plans at the Youanmi Gold and Fisher East Nickel Projects**
- **A\$3.0 million allocated to increase Rox's interest in the Youanmi OYG JV from 50% to 70%**
- **Placement demand strongly supported by Australian and European institutional investors**
- **A total of 364.48 million new shares to be issued at \$0.024, representing a 11.1% 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\$8.74m by way of a share placement ("Placement"). Taylor Collison and Canaccord Genuity acted as Joint Lead Managers to the Placement. Tamesis Partners LLP acted as European Bookrunner. The Placement was significantly oversubscribed.

A total of 364.48 million fully paid ordinary shares will be issued at a price of \$0.024, which represents a 11.1% discount to the last closing price and a 6.9% 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.

The Company will also offer a share purchase plan ("SPP") to raise up to \$4.0 million from eligible shareholders at the same price as the placement. Together the Placement and SPP are expected to raise gross proceeds of up to \$12.74 million, placing the Company in a strong position to ramp up exploration and resource development programs.

Managing Director, Mr Alex Passmore, commented: *“Rox is delighted with the strong institutional support for the Placement. I also look forward to a high level of interest in the SPP. The Company is now very well positioned to increase its interest in the Youanmi OYG JV to 70%, which is progressing towards development, and to aggressively accelerate its regional exploration programs across both its gold and nickel projects.”*

Proceeds from the Placement enables Rox to increase its ownership of the Youanmi OYG JV from 50% to 70%. As contemplated by the Term Sheet (see ASX 10 April 2019) with Venus Metals Corporation Ltd (ASX: VMC) the Company will also move to assume management of the regional JVs once this option is exercised and its interest in the regional JV's is earned. This collectively will see Rox well-positioned to drive an accelerated exploration strategy across the largest tenement package in the highly prospective Youanmi greenstone belt. The Company's exploration and development focus at Youanmi is to:

- Continue with ongoing exploration, leveraging of recent success and enhanced regional understanding
- Define a maiden resource estimate for the Grace Prospect (work well advanced before this placement)
- Update the Project's broader mineral resources, with the inclusion of newly identified shallow gold mineralisation located near historic open pits and in previously untested zones in the Youanmi Granite.
- Commence investigation of potential development scenarios available to the Company (and JV) at the Youanmi Gold Project including a high-grade starter project taking in the Grace Prospect and other nearby shallow resources.
- Investigate the potential for a larger scale project which could commercialise the broader resources at Youanmi.

Placement Details

The Company has received binding commitments from institutional and sophisticated investors to raise \$8.74 million (before costs) through the issue of 364,486,808 fully paid ordinary shares at an issue price of \$0.024 per share. It is intended that 218,692,085 shares will be issued under the Company's existing 15% placement capacity in accordance with Listing Rule 7.1 and 145,794,723 shares issued under Listing Rule 7.1A.

Settlement of the Placement is scheduled to occur on Tuesday 2nd June, with the issue and trading of new shares expected to commence on the 3rd June.

Share Purchase Plan

The Company will offer eligible shareholders the opportunity to participate in the SPP by subscribing for up to \$30,000 worth of fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.024 per Share without having to pay brokerage or other transaction costs. This represents an 11.1% discount to the last traded closing price of the Company's Shares on the ASX on 22 May 2020

and a 10.3% discount to the volume weighted average price for the last 5 days on which sales in the shares were recorded prior to 26 May 2020.

The Company is seeking to raise \$4,000,000 under the SPP through the issue up to 83,333,333 Shares. However, should total demand exceed this amount, the Directors reserve the right to accept oversubscriptions (subject to compliance with the ASX Listing Rules), or to scale-back or refuse applications in their absolute discretion.

Participation in the SPP is optional and is open to all shareholders who were registered as a holder of Shares as at 6.00pm (AEDT) on 26 May 2020 (**Record Date**) and whose registered address is in Australia or New Zealand.

Indicative SPP Timetable

Event	Date
SPP Record Date	5.00pm (AWST) on 26 May 2020
Announce SPP (including closing date) and Appendix 3B on ASX	27 May 2020
Cleansing Notice and SPP Offer Booklet lodged with ASX	27 May 2020
Opening date for SPP	9.00am (AWST) 29 May 2020
Closing date for SPP	5.00pm (AWST) on 12 June 2020
Announce results of SPP	17 June 2020
Expected date of issue for SPP shares	23 June 2020

The timetable above is indicative only and subject to change. The Company reserves the right to change the timetable at any time or cancel the SPP at any time before the issue date, subject to applicable regulatory requirements.

Full details of the SPP will be set out in a letter to shareholders, the SPP Terms and Conditions and a SPP Application Form for Eligible Shareholders (**Plan Documents**). A copy of the Plan Documents will also be lodged with the ASX.

If you have any enquiries in relation to the SPP, please call the Company Secretary on +61 8 9226 0044

Anticipated Use of Funds / Budget Allocation:

Increase stake in Youanmi Gold Project (OYG JV) - RXL plans to elect to increase its stake in the Youanmi Gold Project OYG joint venture to 70% (from 50%) and assume management of the regional joint ventures in the very short term. In accordance with the Term Sheet this requires a \$3m cash payment (note: VMC can elect to take 50% of this amount in RXL shares).

Accelerated drilling at Youanmi – in addition to the 3,000m RC program currently underway RXL will spend an additional A\$4.25m in drilling at Youanmi, targeting Grace at depth and extensions along strike (\$750k), Youanmi near mine prospects (\$1.5m) as well as further regional exploration (\$2.0m). The coming phase of Grace drilling is to augment the work already done and to facilitate resource estimation work.

Additional studies at the YGP – including resource/reserve estimation, and Grace Starter project studies (A\$900k).

Fisher East Nickel Project – accelerated drilling at the Fisher East Nickel Project, specifically targeting high grade structural repeats of nickel mineralisation (\$750k) and additional regional exploration (\$1.25m)

Working capital & Offer raising costs – working capital / cash reserves (A\$2.0m) and transactions costs (A\$590k)

***** ENDS *****

For more information:

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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.