

ASX ANNOUNCEMENT

25 May 2021

RRL1747D

Cannon Resources - *Heading to Market*

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

Dr John Mair
Non-Executive Director

Shares on Issue	2,364m
Share Price	\$0.035
Market Cap.	\$82.7m
Cash & Receivables	\$18.1m

(incl \$3.75m receivable, cash as at 31 Mar 2021)

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Highlights:

- **Cannon Resources spin off timetable confirmed and key documents to be lodged imminently**
- **Board and Management team for Cannon Resources appointed**
- **Rox shareholders to receive an in-specie distribution of Cannon Resources shares and a Priority Offer to participate in the IPO**

Australian gold and nickel company, Rox Resources Limited (**Rox** or the **Company**) (ASX: RXL) is pleased to provide an update to the market in relation to the Cannon Resources Limited (**Cannon**) demerger, RXL share consolidation and transaction timetable. Unforeseen delays were experienced due to transaction structuring, tax and legal matters. These matters have now been resolved, hence the timetable previously advised (see ASX release of 31 March 2021) has been extended by approximately 5 weeks.

Cannon is currently a wholly owned subsidiary of Rox. It holds the Fisher East and Collurabbie nickel and base metal assets and is, subject to shareholder approval, to be spun out (via a demerger) and listed on the ASX.

Eligible Rox shareholders will receive new Cannon shares via an in-specie distribution on the basis of approximately 1 ordinary share in Cannon for every 64 shares held in Rox, on a pre-consolidation basis.

The offer structure for the Cannon IPO fund raising has simplified to being a \$6 million Priority Offer to Rox holders allocated on a pro-rata basis. The Company has the ability to place shortfall shares (if any) to underpin a minimum subscription of \$6 million.

ASX in-principle approval for listing has been received. A notice of meeting to approve the transaction along with a short form prospectus relating to the Rox in-specie shares are to be lodged shortly. The Cannon Priority Offer IPO prospectus will be lodged at the same time.

An experienced Board and Management team have been assembled to drive Cannon forward with a renewed focus on growing the nickel assets. Cannon will launch with a strong balance sheet and aggressive exploration plans.

Stephen Lynn - Chief Executive Officer

Steve is a geologist with over 25 years' experience in exploration and development of a range of commodities including nickel, gold, and base metals.

He has worked extensively within Australia, South America and Russia, including 15 years in Western Australia previously for Great Central Mines, Gold Fields and IGO Limited.

He has played a key role in the discovery of both nickel and VMS style base metal deposits within Western Australia.

Steve is a member of the Australian Institute of Geoscientists and holds Bachelor of Geology (App) and Master of Economic Geology degrees.

Trevor Benson - Non-Executive Chairman

Trevor has extensive experience as an investment banker and has served on a number of ASX listed company boards as both Chairman and Director.

Trevor was up until recently Chairman and Executive Director of Walkabout Resources Limited and is currently a Non-Executive Director of Ionic Rare Earths Limited.

Richard Bevan - Non-Executive Director

Richard is an experienced Director and Executive for listed and unlisted resource companies.

Richard is a member of the Australian Institute of Company Directors and is currently a Non-Executive Director of Empired Ltd and adviser to OZ Minerals Ltd. He was recently Managing Director of Cassini Resources Limited.

Alex Passmore - Non-Executive Director

Alex is a qualified geologist with extensive corporate experience. He is currently the Managing Director of Rox Resources Limited.

Rox Resources Managing Director Alex Passmore commented: *"I am looking forward to completing this demerger as I expect it will unlock the value of Rox's nickel and base metal assets and allow a crystal-clear focus for Rox to develop Youanmi into a high-grade producing mine. Rox investors will retain exposure to the nickel and base metal assets through a pro-rata holding in Cannon and also receive a priority offer to subscribe for Cannon shares as part of its IPO."*

Cannon Resources CEO Steve Lynn commented: *"The Fisher East and Collurabbie Project Areas contain some of the Australia's best nickel exploration assets. There is significant upside at both projects with most of the existing nickel resources open at depth and along strike. Both projects contain a wealth of prospects and anomalies in the right locations and in the right rocks that have yet to be followed up. The Cannon team looks forward to implementing an aggressive exploration program focussed on unlocking this value."*

Indicative Timetable

Event	Date
Rox lodges Notice of Meeting and Short Form Prospectus for the In-specie Distribution with ASIC Rox lodges updated Appendix 3A.3 and Appendix 3A.3 with ASX	26 May 2021
Cannon lodges Cannon Prospectus with ASIC	26 May 2021
Cannon lodges Appendix 1A	26 May 2021
Record date for Priority Offer	31 May 2021
Opening date of Priority Offer	2 June 2021
General Meeting to approve Capital Reduction/In-specie Distribution, Consolidation and ratification of Placement ASX informed of Shareholder approval	28 June 2021
Effective Date of Consolidation	28 June 2021
Record date for Consolidation	1 July 2021
Cannon closes Priority Offer	2 July 2021
Issue date for Consolidation (no more than 5 business days after Record date of 1 July 2021)	8 July 2021
Normal (T+2) trading of Rox resumes post-Consolidation (one business day after issue)	9 July 2021
Bookbuild for Shortfall (if any) for Priority Offer	16 July 2021
Effective Date for In-specie Distribution** Receipt of Conditional admission letter from ASX for Cannon	19 July 2021
In-specie Distribution Record Date** **The Effective Date and Record Date for the In-specie Distribution will only be set after Cannon has received a conditional admission letter from ASX for Cannon to be admitted to the official list of ASX.	22 July 2021
In-specie Distribution of Cannon Shares Issue Priority Offer Shares	28 July 2021
Cannon admitted to ASX	9 August 2021
Expected date for quotation of Cannon Shares on ASX	10 August 2021
The dates above are indicative only and are subject to change and there is no guarantee that the events detailed above will occur.	

Capital Structure of Cannon Resources Limited

Item	# of Shares
Retained by Rox Resources Limited	8,550,000
Pro-Rata In-Specie Distribution to Rox Shareholders	36,450,000
Priority Offer to Rox Shareholders	30,000,000
Total	75,000,000

Authorised for release to the ASX by Alex Passmore, Managing Director.

*****ENDS*****

For more information:

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Table 1 – Nickel Resources

Fisher East Nickel, WA (Reported to the ASX on 5 February 2016)

Deposit	Category	Tonnes (Mt)	Grade Ni%	Contained Metal Nickel (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

Collurabbie Nickel, WA (Reported to the ASX 18 August 2017)

Deposit	Category	Tonnes (kt)	Grade Ni%	Grade Cu%	Grade Co%	Grade Pd g/t	Grade Pt g/t
Olympia	Inferred	573	1.63	1.19	0.082	1.49	0.85

Figures in all tables may not add up exactly due to rounding.

Competent Person's Statement

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.

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.

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.

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 70%, Regional JV's 45% - 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.

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.

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.