

16 FEBRUARY 2017

Rox Receives Up-Front Cash Payment of \$15.8 million for Reward Sale

Rox Resources Limited (ASX: RXL) ("Rox" or "the Company") is pleased to advise that it has completed the sale of its interest in the Reward Zinc-Lead project with Teck Australia Pty Ltd ("Teck").

The amount paid to Rox at completion totals \$15,827,273. A further \$3,750,000 deferred cash payment is due as below.

The up-front purchase price is comprised of:

- **\$7,850,000 in cash**, being \$8 million less the \$150,000 deposit already paid;
- **\$2,727,273 in cash**, which Teck elected to pay in lieu of the share component as provided for in the agreement;
- **\$5,250,000 in cash**, being the value of the Promissory Note that Teck elected to pay up front.

In addition, there remains a deferred payment of **\$3,750,000 in cash** due at the earlier of a Bankable Feasibility Study being completed on the project, or 6 years.

Rox Managing Director, Mr Ian Mulholland said *"Rox has clearly demonstrated to the market that we can acquire, explore, develop and monetise projects for the benefit of our shareholders. The sale of our interest in the Reward project has been our biggest transaction yet, and means that we are now well funded to continue exploration on our exciting Western Australian nickel sulphide projects. It also means that we can make the most of any other opportunities that we identify."*

Marindi Claim

The matter is proceeding through the Supreme Court in the usual course. The parties have consented to orders timetabling the exchange of documents with the aim to attend a mediation conference.

ENDS

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Resource Statements

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 10 February 2012 (JORC 2004). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 10 February 2012, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 10 February 2012 continue to apply and have not materially changed.

General

The information in this report that relates to previous Exploration Results for the Bonya and Collurabbie projects 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).

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

The Mt Fisher project is located in the highly prospective North Eastern Goldfields region of Western Australia and in addition to being well endowed with gold, the project hosts several nickel sulphide deposits. The total project area is 675km², consisting of a 600km² area 100% owned by Rox and an Option to purchase 100% of a further 75km² of nickel and gold 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 **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.

Drilling by Rox has also defined numerous high-grade gold targets and a JORC 2004 Measured, Indicated and Inferred Mineral Resource (ASX:RXL 10 February 2012) of **973,000 tonnes grading 2.75 g/t Au** reported at a 0.8 g/tAu cut-off exists for **86,000 ounces of gold** (Measured: 171,900 tonnes grading 4.11 g/t Au, Indicated: 204,900 tonnes grading 2.82 g/t Au, Inferred: 596,200 tonnes grading 2.34 g/t Au) aggregated over the Damsel, Moray Reef and Mt Fisher deposits.

A joint venture has been signed with Doray Minerals Limited ("Doray") to explore the Mt Fisher gold tenements (ASX:RXL 16 May 2016), with Doray required to spend \$1 million within the first year. Following that Doray can spend \$4 million over a further two years to earn a 51% interest, and increase its interest to 75% by expenditure of a further \$5 million over an additional two years.

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. Drilling results of **5.8m @ 3.00% Ni, 1.96% Cu, 5.3g/t PGE**, have been returned from Olympia. 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 @ 5.2g/t Au** from the Naxos prospect.

Bonya Copper Project (51% + Farm-in Agreement to earn up to 70%)

Rox (51%) is exploring the Bonya Copper Project located 350km east of Alice Springs, Northern Territory, in joint venture with Arafura Resources Limited (49%) (ASX:ARU). Outcrops of visible copper grading up to 34% Cu and 27 g/t Ag are present, with the style of mineralisation similar to the adjacent Jervois copper deposits (see ASX:KGL). Drill testing has intersected visible copper mineralisation at three prospects, with massive copper sulphides intersected at the Bonya Mine prospect, including **38m @ 4.4% Cu and 11m @ 4.4% Cu** (ASX:RXL 20 October 2014, 5 November 2014, 1 December 2014).

Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya after spending \$500,000 (ASX:RXL 16 December 2014). Rox is earning a further 19% (for 70% in total) by spending a further \$1 million by 10 December 2017.