

## ASX ANNOUNCEMENT

RRL1689D

11 June 2020

# Rox Exercises Option to Acquire Additional 20% Interest in Youanmi Mine Area

### 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

**Dr John Mair**  
Non-Exec Director

Shares on Issue	1,822m
Share Price	\$0.024
Market Cap.	\$43.7m
Cash & Receivables	\$13.8m

(pro-forma 31/03/20 + post-Placement)

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### Highlights:

- **Rox ownership of the OYG JV to increase to 70%**
- **Payment of \$2m cash and \$1m in RXL shares to JV Partner Venus Metals Corporation Ltd**
- **Earn-in on Regional JVs (50/50 after completion of earn-in) is progressing well**

Rox Resources Limited (ASX: RXL) (Rox" or "the Company") is pleased to announce it has exercised its option to acquire an additional 20% interest (for a total of a 70% interest) in the OYG Joint Venture at the historic Youanmi mining centre. Venus Metals Corporation Limited (ASX:VMC) ("Venus" or "VMC") retains a 30% interest.

### Youanmi Gold Project

The Youanmi Gold Project is located 480km NE of Perth and 400km inland and to the east of Geraldton. The project is accessed from the south via Paynes Find (140km) or north via Mt Magnet (150km) from the Great Northern Highway.

Rox acquired its initial interest in the project and regional joint ventures (refer Figure 1 overleaf) via the formation of a series of joint ventures with Venus in 2019 (refer ASX 10 April 2019).

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. Most of the gold was produced from the Youanmi Mine with an estimated 96,000oz produced from Youangarra, Penny West, Columbia-Magenta, Currans and other minor prospects.

The current Resource Estimate at the Youanmi Gold Project is (ASX: 17 April 2019):

**2.4Mt at 2.97g/t Au for 1,190,600 ounces of gold**

This comprises both Near Surface and Deeps as set out in Tables 1.

**Table 1 – Mineral Resource Estimate for the Youanmi Gold Mine**

<b>Near Surface</b>					<b>Youanmi Deeps</b>				
Resource Classification	Cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Contained Gold (oz)	Resource Classification	Cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Contained Gold (oz)
Indicated	0.5	4.72	1.76	266,200	Indicated	4	0.808	8.1	210,200
Inferred	0.5	5.36	1.55	266,500	Inferred	4	1.605	8.7	447,700
<b>Total</b>	<b>0.5</b>	<b>10.07</b>	<b>1.65</b>	<b>532,700</b>	<b>Total</b>	<b>4</b>	<b>2.413</b>	<b>8.5</b>	<b>657,900</b>

Source: VMC ASX Release 29 June 2018

Following the discovery of the Grace Prospect and other zones of new mineralisation the company is planning to update this resource in the September quarter.

### Transaction Summary (OYG JV)

Rox initially acquired a 50% interest (all minerals) in the OYG Joint Venture by providing funding of \$2.8 million which was applied to the cash component of VMC's option exercise to acquire the OYG Tenements. In addition, Rox issued VMC \$0.2 million in Rox shares at a deemed price of \$0.008 (25m shares) (ASX: 17 April 2019).

Rox was also required to meet exploration expenditure of \$2 million over the following two years (to June 2021) and to cover the costs of holding and managing the project. This \$2 million commitment has been met and acknowledged by VMC.

After meeting the \$2 million exploration expenditure referred to above and at any point up until June 2021, Rox may elect to move to 70% ownership of the OYG Joint Venture via the payment of \$3 million to VMC. Rox and Venus have reached agreement that the \$3 million payment will be met as to \$2 million cash and \$1 million in shares values at \$0.024 (resulting in the issue of 41,666,667 shares) which is the same price as the recent share placement completed by Rox. This issue of shares is subject to shareholder approval for which a notice of meeting will be issued shortly.

Joint Venture costs are then to be contributed in proportion to ownership, although if VMC elects it can require Rox to fund its 30% of costs by way of a JV loan secured over VMC's interests in the Joint Venture.

### Regional JVs (Youanmi)

Rox is earning a 50% interest in the gold rights of the VMC JV and a 45% interest in the gold rights of the Youanmi JV by contributing the first \$800,000 and \$200,000 of exploration expenditure respectively. VMC is currently the manager of these JVs. Progress towards completion of that expenditure is progressing well and set out below.

Once Rox has earned its initial interest in these regional joint ventures it is envisaged both parties will retain their interests by contributing to exploration expenditure in proportion to their ownership, although standard contribute or dilute arrangements are in place.

**Table 2 – Regional JV Commitments and Expenditure to Date**

Joint Venture	Rox Earning	Expenditure Requirement	Expenditure as at 30 April 2020
VMC JV	50% - gold rights only	\$800,000	\$678,614
Youanmi JV	45% - gold rights only	\$200,000	\$37,108

### Rationale

Rox’s acquisition of the additional 20% in the Youanmi asset is considered to be highly value accretive. With 70% ownership of the OYG JV Rox is also entitled to assume management of the regional joint ventures (Youanmi, VMC and Currans) once the earn-in requirement for an initial interest in the Youanmi and VMC JV’s is met.



**Figure 1 – Location and Tenure Map of RXL’s Youanmi Gold Joint Ventures**

Authorised for release by **Alex Passmore, Managing Director.**

\*\*\*ENDS\*\*\*

For more information:

**Shareholders/Investors**

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## Competent Person Statements

### 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

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.

### 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 Collurabie 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 ounces of gold (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 ~350km<sup>2</sup>.

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 ~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.

**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 ~220km<sup>2</sup>.

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.