

Rox Resources Limited
ASX: RXL

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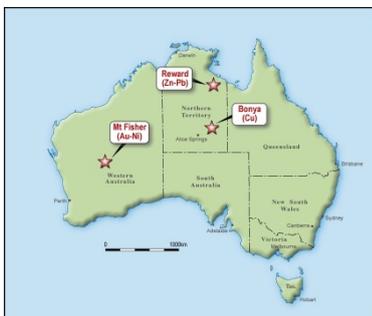
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Projects:
Mt Fisher: nickel-gold (100%)

Reward: zinc-lead (49%,
 diluting to 30%)

Bonya: copper-silver (51%,
 earning up to 70%)


Rox Conducts Strategic Review, Announces Share Placement and Entitlements Issue

- **Strategic Review leads to decision to commercialise its Reward Zinc project (including Teena prospect)**
- **Placement to raise \$500,000**
- **1 for 10 Renounceable Entitlements Issue to raise up to \$1.6 million**

Rox Resources Limited (ASX:RXL “Rox” or “the Company”) wishes to announce that it has conducted a strategic review of its projects and assets.

Following this review, the Company has decided to consider options for commercialising its interest in the Reward Zinc project (which includes the significant Teena discovery). This process may involve a sale to a third party or a spin out into a separate company.

Rox will also undertake a capital raising via a Placement and Entitlements Issue to ensure the Company is sufficiently funded during the period in which the sale of its interest in Reward Zinc is being progressed.

Strategic Review

Rox has undertaken a strategic review of all its assets, with consideration being given to a range of factors for each project including their current stage of advancement, level of ownership and control, expected future funding requirements, and estimated valuation.

Rox Managing Director, Mr Ian Mulholland said,

“This has been a comprehensive review that has enabled us to evaluate the strategic options for each project, and to determine what we think will be the best outcome for our shareholders.”

Reward Zinc Project

The Reward Zinc project is subject to an Earn-In and Joint Venture Agreement between Rox and Teck Australia Pty Ltd ("Teck"). Rox's interest in the Reward Zinc project is presently 49%, but this may be diluted to 30% if Teck completes its earn-in funding obligations.

As a result of the strategic review, Rox has decided to consider options for commercialising its interest in the Reward Zinc project. This may involve a sale to a third party or a spin-off into another company that will hold the Reward project interest and be listed on the ASX, with Rox retaining an interest in the new company. Rox has engaged corporate advisors to assist with this process.

The Directors of Rox have set a valuation of at least \$14.25 million for the Company's interest in the Reward Zinc project, and the Company has advised Teck of its intentions as it is obliged to do so under the Earn-In and Joint Venture Agreement. The value set by Rox sits comfortably with several analyst valuations for Rox.

Capital Raising

Given the process to commercialise the Reward project interest will most likely extend into the early new year, the Company will undertake a capital raising to raise approximately \$2.1 million by way of:

- a. An immediate Placement of 33.33 million shares at an issue price of 1.5 cents to clients of Patersons Securities to raise \$500,000 before costs; and
- b. An Entitlements Issue where shareholders will be offered 1 new share for every 10 shares held on the same terms and conditions as the Placement. Should all entitlements be taken up the issue will raise a further \$1.6 million before costs. Approximately \$1 million of the Entitlements Issue is intended to be underwritten by Patersons Securities. Documentation will be released in due course.

This capital raising will enable the Company to continue to explore and develop both the Fisher East nickel sulphide project where pre-feasibility studies are currently underway and the Bonya copper project where significant drill assays (including 38m @ 4.4% Cu) warrant follow-up drilling. There is considerable upside to be added from these projects which Rox operates and holds a majority interest.

"We are pleased to have these options available to us. A transaction to realise value for the Reward zinc asset would be transformative for the Company and allow us to pursue a number of growth opportunities both organically within the current project portfolio and by external transactions. We have the belief that we are at or near the bottom of the current metal price cycle and this strategy will serve us well as market sentiment and commodity prices improve", Mr Mulholland said.

ENDS

For more information:

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About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has three key assets at various levels of development with exposure to gold, nickel, zinc, lead, and copper, including the Mt Fisher Gold Project (WA), Myrtle/Reward Zinc-Lead Project (NT), and the Bonya Copper Project (NT).

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

The Mt Fisher gold 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 strong nickel potential. 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 and Musket nickel prospects has defined a JORC 2012 Mineral Resource (ASX:RXL 9 October 2013 and 4 September 2014) of **3.6Mt grading 2.0% Ni** reported at 1.0% Ni cut-off (Indicated Mineral Resource: 1.8Mt grading 2.2% Ni, Inferred Mineral Resource: 1.9Mt grading 1.8% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 72,100 tonnes of nickel. Higher grade mineralisation is present in both deposits (refer to ASX announcements above), and is still open at depth beneath each deposit. Additional nickel sulphide deposits continue to be discovered (e.g. Cannonball, 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.

Reward Zinc-Lead Project (49% + Farm-out Agreement diluting to 30%)

Rox has signed an Earn-In and Joint Venture Agreement with Teck Australia Pty Ltd. ("Teck") to explore its highly prospective 670km² Myrtle/Reward zinc-lead tenements, located 700km south-east of Darwin, Northern Territory, adjacent to the McArthur River zinc-lead mine.

The first deposit explored, Myrtle, has a current JORC 2004 zinc-lead Mineral Resource (ASX:RXL 15 March 2010) of **43.6 Mt @ 5.04% Zn+Pb** reported at a 3.0% Zn+Pb cut-off (Indicated: 5.8 Mt @ 3.56% Zn, 0.90% Pb; Inferred: 37.8 Mt @ 4.17% Zn, 0.95% Pb).

Drilling at the Teena zinc-lead prospect includes intersections of **26.4m @ 13.3% Zn+Pb** including **16.2m @ 17.2% Zn+Pb**, and **20.1m @ 15.0% Zn+Pb** including **12.5m @ 19.5% Zn+Pb**, and together with historic drilling has defined significant new high grade zinc-lead mineralisation over a strike length of at least 1.9km (ASX:RXL 5 August 2013, 26 August 2013, 18 September 2013, 11 October 2013, 27 October 2014, 10 November 2014, 15 December 2014). Teena is the most significant new discovery of zinc in Australia since Century in 1990.

Under the terms of the Agreement, Teck has earned a 51% interest, with Rox holding the remaining 49%. Teck has elected to earn a further 19% (for 70% in total) by spending an additional A\$10m by 31 August 2018 (ASX:RXL 21 August 2013).

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 has elected to earn a further 19% (for 70% in total) by spending a further \$1 million by 10 December 2016.

Competent Person Statement:

The information in this report that relates to nickel Mineral Resources for the Mt Fisher project was reported to the ASX on 3 October 2013 and 4 September 2014. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 3 October 2013 and 4 September 2014, and that all material assumptions and technical parameters underpinning the estimates in the announcements of 3 October 2013 and 4 September 2014 continue to apply and have not materially changed.

The information in this report that relates to previous Exploration Results and Mineral Resources for the Reward Zinc-Lead, and Bonya Copper projects and for the gold Mineral Resource defined at Mt Fisher, 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. 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.