

## ASX ANNOUNCEMENT

RRL1727

01 February 2021

### 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	2,041m
Share Price	\$0.034
Market Cap.	\$69.4m
Cash & Receivables	\$9m

(as at 31 Dec 2021)

Level 1, 34 Colin Street,  
West Perth WA 6005

+61 8 9226 0044

admin@roxresources.com.au

[www.roxresources.com.au](http://www.roxresources.com.au)

## Update on Nickel Asset Divestment

### Highlights:

- Rox has progressed its strategy to create value from its nickel assets
- The Company is examining a straight sale of its nickel assets or, alternatively, a spin out to shareholders via a new ASX listed company
- This strategy aims to generate proper value recognition for a portfolio of high-quality nickel assets that are currently undervalued, and will allow the Company to focus primarily on the development of the Youanmi Gold Project

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Rox Resources Ltd (“Rox” or “the Company”) is pleased to provide an update on its strategy in relation to its substantial nickel assets located in Western Australia.

The Company owns the advanced Fisher East nickel deposits, is earning an interest in an exploration joint venture to the north of these deposits (Cullen JV), and also holds the Collurabbie nickel project located approximately 80km to the east of Fisher East (Figure 1).

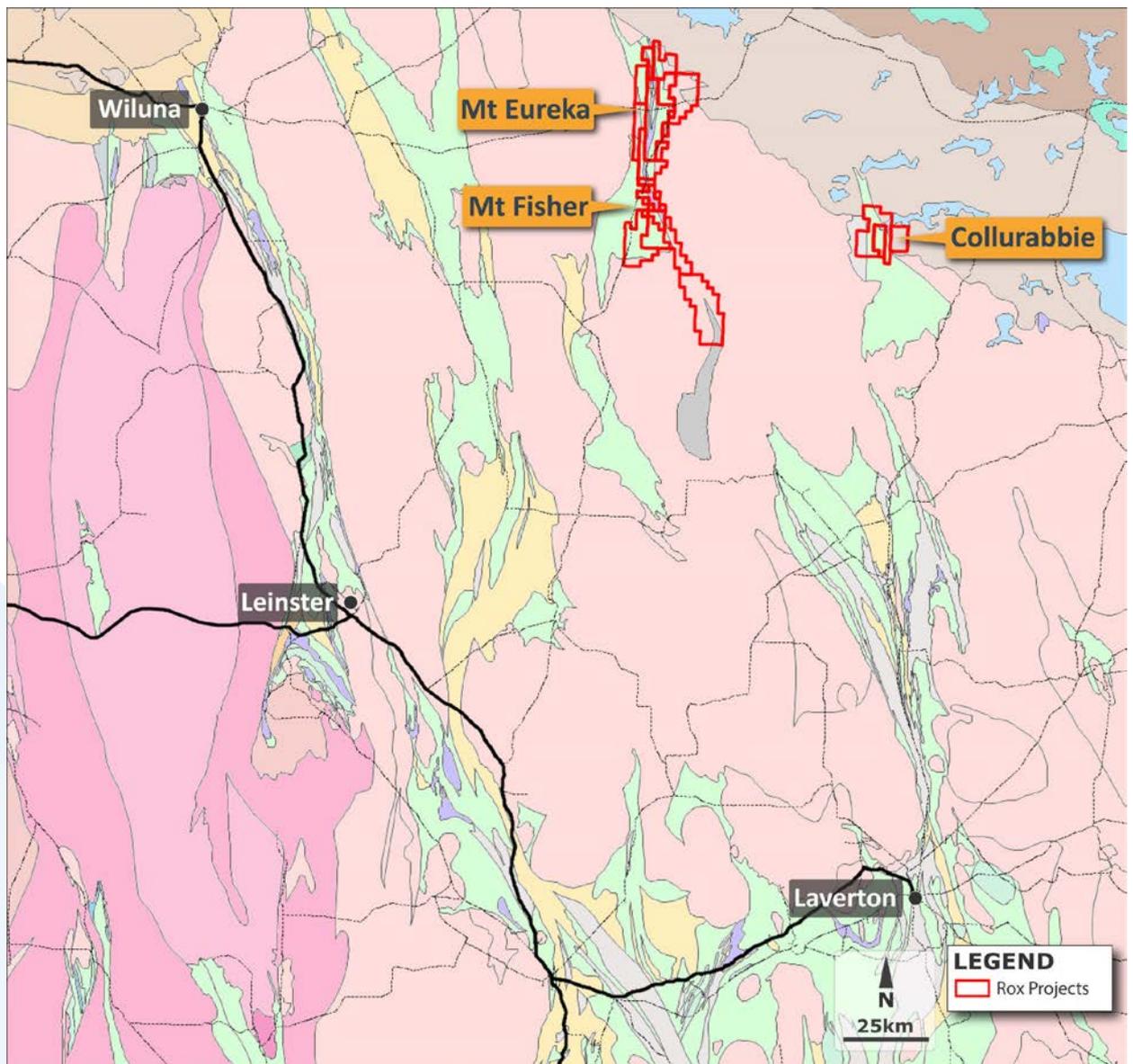
Fisher East is the flagship asset in the package with a 78kt contained nickel metal resource and a scoping study having been last updated in 2018.

Rox believes its nickel assets are significantly undervalued within the current company structure, and accordingly is pursuing a strategy to unlock the value of its nickel portfolio.

**Managing Director Alex Passmore commented:** *With our primary focus on the development of Youanmi gold project, our nickel assets are ascribed little value by the market. There is strong market interest in the nickel sector, which presents a great opportunity to attain strong value recognition for the Company’s nickel assets, that we believe are currently undervalued to Rox shareholders. We are advanced in the process of determining the scenario that will provide the best outcome for Rox shareholders.*

Following a review conducted over recent months, and with increasingly positive investor sentiment surrounding the nickel sector, the Company is progressing, in parallel, a possible third party sale of its nickel assets, and alternatively, a spin out of these assets to its shareholders in a new corporate ASX-listed vehicle. The due diligence and preparatory documentation for the potential spin-out are already significantly advanced.

Over the coming months, the Company intends to finalise the preferred path forward (being guided by whichever option best maximises value for shareholders) and update the market during the second quarter of calendar year 2021.



**FIGURE 1 – Rox Nickel Projects and Regional Context**

## Background on Rox’s Fisher East Nickel Project

The Company completed an updated Scoping Study on the Fisher East Nickel project in late 2018 (refer ASX announcement 05/10/18). This high-level study considered two primary development scenarios, first, building a stand-alone concentrator, and second, toll milling at a nearby operation. Under either scenario, the study demonstrated that the project had strong economic and technical credentials at a nickel price of US\$7.50/lb (current price is ≈US\$8.50/lb). In addition, there would be significant upside to project economics with an increased resource base. Capital costs were relatively low, with competitive cash operating costs.

The published Mineral Resource for the Camelwood, Cannonball and Musket deposits at a cut-off grade (COG) of 1.0% Ni is:

Table 1: Fisher East Mineral Resources at a 1.0% Ni Cut-Off Grade (refer ASX announcement 05/02/16)

Mineral Resources	Cut-Off Grade 1.0% Ni		
	Tonnes (Mt)	Grade % Ni	Ni Tonnes (kt)
Indicated	3.7	1.9	71,000
Inferred	0.5	1.5	7,000
<b>Total</b>	<b>4.2</b>	<b>1.9</b>	<b>78,000</b>

Indicated resources comprise ~88% of the Total Resource, with Inferred Resources ~12%. Drill spacing is ~50 x 50m in Indicated areas and wider in Inferred areas.

Figure 2 shows a long section of the three deposits, and Figures 3 and 4 show cross sections through the Camelwood and Musket orebodies respectively.

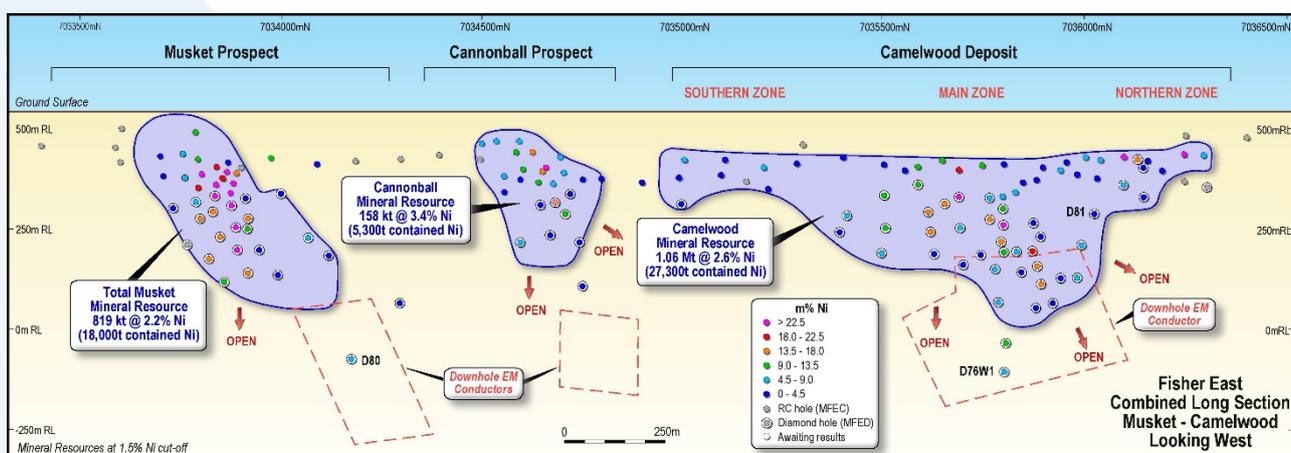


FIGURE 2 – Fisher East Combined Long Section

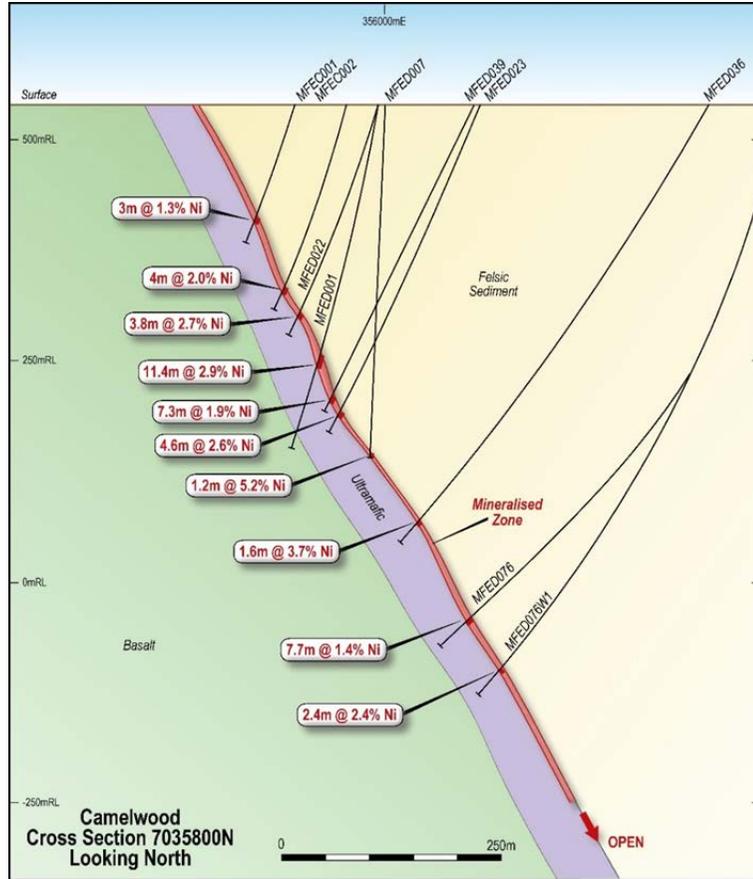


FIGURE 3 – Camelwood Cross Section

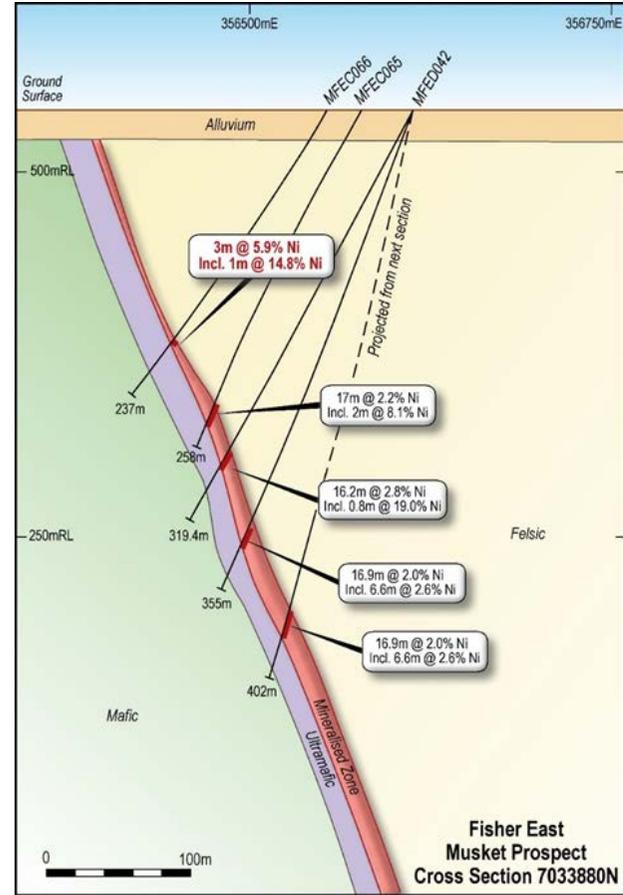


FIGURE 4 – Musket Cross Section

**ENDS**

**For more information:**

**Shareholders/Investors**

Alex Passmore

Managing Director

Tel: +61 8 9226 0044

[admin@roxresources.com.au](mailto:admin@roxresources.com.au)

## 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 Exploration Manager 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 was previously disclosed to ASX or has been 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.

The information in this report that relates to nickel Mineral Resources for the Collurabie 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.

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## 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 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 ~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.

### 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.