Successful Base Metals Exploration

AGM Presentation
25 November 2015

ASX: RXL
Who is Rox?

- **Fisher East Nickel**: Pathway to short term nickel sulphide production in WA
- **Reward Zinc**: New potentially large zinc discovery
- **Bonya Copper**: Early stage exploration - strong potential
- **Strong leverage to rising base metal prices**: Nickel, Zinc, Copper
Research Endorsements

- **Patersons**
  - Rob Brierley
  - 28 Oct 2015
  - Speculative Buy
  - “…continues to steadfastly pursue the unlocking of value from its projects and we admire this approach”

- **Fat Prophets**
  - David Lennox
  - 7 Oct 2015
  - Speculative Buy
  - “We reiterate our buy recommendation for those members with no exposure”

- **Mine Life**
  - Gavin Wendt
  - 30 Sep 2015
  - “A well-managed explorer.....We retain our positive outlook”

- **Bell Potter**
  - Peter Arden
  - 29 Sep 2015
  - Speculative Buy
  - “Valuation of 4.5 cents per share”

* None of this research was commissioned by Rox
Recently Rox was awarded Australian Mining Prospects Awards Explorer of the Year in recognition of Rox’s multifaceted exploration success in discovering nickel at Fisher East, copper at Bonya, and our involvement in the Teena zinc exploration venture.
Fisher East – Nickel

- Current Mineral Resource*
  ~3.6 Mt @ 2.0% Ni, for 72,100 tonnes contained Ni

- Further discoveries (e.g. Cannonball, Sabre and Horatio) will add to resource base

- Multiple exploration targets - potential for more discoveries

- Scoping Study completed, PFS underway

* Camelwood + Musket Mineral Resource: Indicated 1.8Mt @ 2.1% Ni, Inferred 1.9Mt @ 1.8% Ni, Total 3.6Mt @ 2.0% Ni.
Mt Fisher Location

- Mt Fisher Greenstone Belt
- 150km north-east of Leinster (BHP Nickel West)
- New province for nickel sulphide deposits – discovered by Rox
- Four deposits discovered so far
- Two resources, with more to come
- More EM and geochemical targets still to test over 25km of strike

Camelwood (35kt Ni)
Musket (37kt Ni)
Cannonball
Musket
Cannonball
Horatio
Tomahawk
Sabre
Cutlass
Mt Tate

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Ultimate size of these deposits is unknown as they are open at depth and still have untested downhole EM conductors.

Resource Upgrade Due Shortly

Camelexx Mineral Resource: Indicated 0.6 Mt @ 2.4% Ni, Inferred 1.0 Mt @ 2.1% Ni, Total 1.6 Mt @ 2.2% Ni
Musket Mineral Resource: Indicated 1.2 Mt @ 2.0% Ni, Inferred 0.9 Mt @ 1.5% Ni, Total 2.1 Mt @ 1.8% Ni
Scoping Study

- Conducted by independent international consultants, CSA Global Pty Ltd
- Examined two options:
  - Toll milling – truck ore to nearby plant (200km)
  - Build a plant – truck concentrate for sale
- Standard industry underground mining techniques
- Produces a clean, saleable concentrate with good specs (12-14% Ni, MgO <4%, Fe:MgO >6, low As (<100ppm), 80-95% recoveries)
- Cash operating costs similar to other nickel sulphide operators in the Kambalda district
- Relatively low capital costs
- No environmental or other issues
- Opportunities to optimise various aspects
Exploration Potential

- Discovery Cost ~4.8 cents/lb (cf. Sirius 4.0 cents/lb)
- Drill targets defined at Cutlass, Sabre, Mt Tate, Tomahawk and Horatio
- Sabre discovered in March 2015 – more drilling required before resource status
- RC drilling program planned to test other targets
- Fresh Ni sulphides intersected in aircore at Mt Tate – high priority target
- Persistence pays – detailed aircore and geophysics
- Kambalda-style deposits occur in clusters with many deposits
- 25km of strike – more untested potential
- Short term aim is to at least double or triple known resources
Sabre is a “look-a-like” to Camelwood

More drilling required to fully assess potential
Resource Comparisons

Rox resource grade is middle of group
Rox resource inventory has potential to grow
Expect larger resource inventory at similar grade
Reward Zinc Project

- Owned by Rox (49%) and Teck Resources (51%)
- Teck earning-in to 70% by funding $15m ($12.4m spent)
- Excellent infrastructure including bitumen road, gas pipeline, major airport, ship loader, port
Teena Drilling

38.8m @ 16.9% Zn+Pb
200m

26.4m @ 13.3% Zn+Pb
200m

20.1m @ 15.0% Zn+Pb
300m

35.4m @ 13.2% Zn+Pb
200m

20.3m @ 13.9% Zn+Pb
400m

14.7m @ 13.3% Zn+Pb

1,300m+ of HG

21.3% Zn, 3.4% Pb

22.0% Zn, 4.0% Pb

24.2% Zn, 4.1% Pb

Teena Prospect Drill Plan

One hole to come

Teena 4A Teena 4D

Drill results at 6% Zn+Pb cut-off or higher

25.5m @ 13.3% Zn+Pb

20.3m @ 13.6% Zn+Pb

20.1m @ 13.9% Zn+Pb

Stacked Cross Sections

- 3.0m @ 10.1% Zn + Pb
- 7.7m @ 9.9% Zn + Pb
- 7.3m @ 8.0% Zn + Pb

Approximately 400-600m
Stacked Cross Sections

~400-700m

14.3m @ 10.4% Zn + Pb

14.7m @ 13.3% Zn + Pb

3.8m @ 6.8% Zn + Pb

3.6m @ 9.7% Zn + Pb
Stacked Cross Sections

- 4.1 m @ 10.4% Zn + Pb
- 4.9 m @ 11.8% Zn + Pb
- 2.5 m @ 10.3% Zn + Pb
- 12.8 m @ 9.4% Zn + Pb
- 7.2 m @ 9.2% Zn + Pb
- 3.4 m @ 3.4% Zn + Pb
- 19.7 m @ 14.9% Zn + Pb
- 35.4 m @ 13.2% Zn + Pb

~500-800m
Stacked Cross Sections

- Caranbirini Formation
- Reward Dolomite
- Upper BCF
- Pyritic BCF
- HYC Shale Member
- W-Fold Shale Member
- Teena Dolomite

Key Points:
- 3.8m @ 8.0% Zn + Pb
- 20.1m @ 15.0% Zn + Pb
- 6.2m @ 10.0% Zn + Pb
- 2.9m @ 10.3% Zn + Pb
- 5.0m @ 10.8% Zn + Pb

Depth Range:
- ~500-1,000m

Tenna Prospect Drill Cross Section
608450E A - A'

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Teena Cross Section

- Large stratiform mineralised system; Overall >1.9km strike x 800m wide x 250m thick; plunging east
- 1,000m around hinge
- 400-1,000m depth
- High Zn:Pb ratio = 6.5:1
- Exploration Target
  - 60 - 80Mt @ 11 - 13% Zn+Pb*
  - (6-10 Mt, 13-22 Blb contained zinc-lead)

* This Exploration Target is conceptual in nature, but based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
Bonya Copper Project

- New high grade copper sulphide discovery at Bonya Mine prospect
- Multiple drill targets ready to be tested
- Rox 51% and earning to 70% for $1 million (by Dec 2016)

30.5Mt @ 1.1% Cu, 23 g/t Ag
Historic Mining

90 tons of copper ore from Jervois, bound for Mount Isa, around 1960

Jervois  Bonya

The truck returning from Mt. Isa with empty drums. Note the self-tracking trailers.
Bonya Prospect

- Copper sulphide intercepts:
  - 11m @ 4.4% Cu, incl. 3m @ 6.1% Cu
  - 38m @ 4.4% Cu, incl. 6m @ 8.8% Cu and 8m @ 7.9% Cu
  - 5m @ 9.1% Cu, incl. 3m @ 13.4% Cu and 11m @ 3.9% Cu

- Open at depth/down plunge

* ASX: 20 October 2014, 5 November 2014, 1 December 2014
Planned Drilling

Green Hoard

Fat Cow
Commodity Prices?

..... Let’s start with quick ‘ask the audience’ poll....
Prices Below LRMC

Correct: Prices are 20-40% below long run costs…

LRMC = Long Run Marginal Cost (last 30 years)

Acknowledgement to Alan Trench of CRU
Commodities - 2015

2015 prices weaker than 2014 – with a ~15% decline in US$ basket value*

CRU basket of mining, metals and fertilizer commodities

Source: CRU. *2015 annual average price forecast over 2014 actual prices (3rd November 2015)

Acknowledgement to Alan Trench of CRU
Zinc

Supply Reductions (ktpa)
- Glencore: -500 kt
- Century: -500 kt
- Lisheen: -180 kt
- Skorpion: -160 kt
- Others: -190 kt
- Total: -1,530 kt

New Supply (ktpa)
- Gamsberg: +250 kt
- Dugald River: +200 kt
- Total: +450 kt

Balance: -1,080 kt

9% of global supply

Acknowledgement to Alan Trench of CRU
Copper Concentrates to a deficit – Good for Cu miners

Annual growth in mine production* and smelter concentrate requirements**; % change

- Mine
- Smelter

Concentrate balance;‘000t contained Cu

Concentrates stocks will be exhausted and smelter cutbacks will be necessary

Concentrates stocks will be sufficient to cover deficits until early 2016

* Copper in concentrates and other raw materials for smelting; ** Before raw material adjustment

Acknowledgement to Alan Trench of CRU
Nickel Stocks

- LME Stocks ~450kt (~85 days consumption)
- Economic uncertainty surrounding direction of interest rates & global growth
- Chinese equity, debt and economic concerns

Acknowledgement to Carey Smith of Alto Capital
Nickel Price/Costs

- Price floor historically around the 90th percentile of C1 costs
- 90th percentile C1 costs currently ~US$6.60/lb (~US$14,500t)
- Sep Quarter Average Price US$4.80/lb
- Over short periods (6 – 18mths) nickel price can fall through 90th C1 cost

Acknowledgement to Carey Smith of Alto Capital
## Nickel Price Cycles

<table>
<thead>
<tr>
<th>From Date</th>
<th>Price (US$/lb)</th>
<th>To Date</th>
<th>Price (US$/lb)</th>
<th>Price Change (%)</th>
<th>Duration (mths)</th>
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</thead>
<tbody>
<tr>
<td>A - B</td>
<td>$2.65</td>
<td>Jan-87</td>
<td>$1.60</td>
<td>-40%</td>
<td>20</td>
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<tr>
<td>B – C</td>
<td>$1.60</td>
<td>Apr-88</td>
<td>$8.15</td>
<td>+409%</td>
<td>15</td>
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<tr>
<td>C – D</td>
<td>$8.15</td>
<td>Sep-93</td>
<td>$1.80</td>
<td>-78%</td>
<td>64</td>
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<tr>
<td>D – E</td>
<td>$1.80</td>
<td>Jan-95</td>
<td>$4.65</td>
<td>+158%</td>
<td>16</td>
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<tr>
<td>E – F</td>
<td>$4.65</td>
<td>Dec-98</td>
<td>$1.70</td>
<td>-63%</td>
<td>46</td>
</tr>
<tr>
<td>F – G</td>
<td>$1.70</td>
<td>Mar-00</td>
<td>$4.85</td>
<td>+185%</td>
<td>15</td>
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<tr>
<td>G – H</td>
<td>$4.85</td>
<td>Nov-01</td>
<td>$2.05</td>
<td>-58%</td>
<td>20</td>
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<tr>
<td>H – I</td>
<td>$2.05</td>
<td>Jan-04</td>
<td>$8.05</td>
<td>+293%</td>
<td>26</td>
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<tr>
<td>I – J</td>
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<td>-35%</td>
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<td>J – K</td>
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<td>May-07</td>
<td>$24.50</td>
<td>+371%</td>
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<tr>
<td>K – L</td>
<td>$24.50</td>
<td>Mar-09</td>
<td>$4.25</td>
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<td>L – M</td>
<td>$4.25</td>
<td>Feb-11</td>
<td>$13.10</td>
<td>+208%</td>
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<tr>
<td>M - N</td>
<td>$13.10</td>
<td>Aug-15</td>
<td>$4.30</td>
<td>-67%</td>
<td>53</td>
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<tr>
<td>N – O</td>
<td>$4.30</td>
<td>Mar-17</td>
<td>$9.70 - $17.20</td>
<td>125% - 300%</td>
<td>19</td>
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</table>

- Average negative price move -60%
- Average positive price move +270%
- Average price up or down duration = 28 months

Acknowledgement to Carey Smith of Alto Capital
Commodities - Forecast

Base metal prices lead recovery by 2019 with fertilizers lagging*
CRU basket of 35 mining, metals and fertilizer commodities

- Hot > 15%
- Warm 5% to 15%
- Mild 0% to 5%
- Cool -5% to 0%
- Cold -15% to -5%
- Freezing < -15%

Zinc, Tin, Sulphuric Acid, Thermal Coal, Cobalt
Met Coal, Bauxite, Chrome Ore, Alumina, CPC, Phosphate Rock, Potash, Nickel
Coal Tar Pitch, Met Coke, Palladium, Ferrochrome
Lead, Aluminium, Urea, Silicon, Copper, Platinum
Phosphate DAP, Silico-Manganese, Gold
Steel HRC, Manganese Ore, Ammonia, Molybdenum, Iron Ore, Brent Crude, Metallics, Sulphur, Silver

Source: CRU *2018 annual average price forecast over 2014 actual prices (3rd November 2015)
## Company Snapshot

### Rox Capital Structure (24 Nov 2015)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>ASX Code</td>
<td>RXL</td>
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<tr>
<td>Issued Shares</td>
<td>1,112.2 m</td>
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<tr>
<td>Unlisted Options</td>
<td>45.3 m</td>
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<tr>
<td>Market Cap</td>
<td>$16.7 m (at 1.5c)</td>
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<tr>
<td>Cash</td>
<td>$0.657 m (30 Sept) + $2.6m (CR)</td>
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</tbody>
</table>

### Experienced Board & Management

- **Jeff Gresham**  
  Non-Exec Chairman (retiring)  
  Geologist: WMC, Wiluna Mines, Homestake

- **Ian Mulholland**  
  Managing Director  
  Geologist: WMC, Esso, Otter, Archaean Gold, Summit, Anaconda Nickel, Conquest

- **Brett Dickson**  
  Finance Director  
  Accountant: Archaean Gold, Vulcan Resources

- **Stephen Dennis**  
  Non-Exec Chairman (elect)  
  Operations/Commercial: CBH, Anaconda Nickel, MIM

### Major Shareholders (24 Nov 2015)

- **Drake Private Investments (NY)**: 3.6%
- **Yangang (Hong Kong)**: 3.0%
- **Top 20**: ~28.0%
- **Number of Shareholders**: ~3,700

### Graph

Small Resources XSR Index vs. RXL Index

- Camelwood Ni Discovery
- Musket Ni Discovery
- Teena Zn Discovery
- Ni Resource Doubled
- Bonya Cu Discovery

Indexed Value from 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>XSR Index</th>
<th>RXL Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Jan-13</td>
<td></td>
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<tr>
<td>2-Mar-13</td>
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<tr>
<td>2-May-13</td>
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<td>2-Jul-13</td>
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<tr>
<td>2-Sep-13</td>
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</tbody>
</table>

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Markets - XSR

Acknowledgement to Barry Dawes of Paradigm Securities
Markets - Gold

Acknowledgement to Barry Dawes of Paradigm Securities
Successful Explorer

In last ~3 years – 4 new nickel sulphide deposits, 1 large zinc deposit, and a new copper discovery

Fisher East is a new nickel sulphide province – growing in size and moving towards development

Teena is a significant new zinc discovery – in JV with a Major

Bonya is a new high grade copper discovery – more to be found

Recently awarded Australian Mining Explorer of the Year

Out-performing the Small Resources Index
Forward-Looking Statements

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Competent Person Statements

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 and is available to view at www.asx.com. Rox confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original announcements.

The information in this report that relates to previous Exploration Results and Mineral Resources for the Mt Fisher Gold-Nickel, Reward Zinc-Lead, and Bonya Copper 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 it was first reported. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. 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.
Thanks to Jeff Gresham
The End

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