



ASX/Media Release

(ASX: MZN)

9th August 2016

Marindi Metals Ltd
ABN 84 118 522 124

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Australia

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Directors:

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Issued Capital:

1,153m fully paid ordinary shares,
236.8m listed options Ex. 2.0c Expiring
31 December 2016
64m unlisted options Ex. 2.5c Expiring
31 December 2019

Marindi Confirms Superior Offer for Rox Resources' Interest in the Reward JV

Marindi believes its offer is in the best interests of Rox shareholders.

Marindi Metals Limited (ASX: MZN; **Marindi** or the **Company**) notes the announcement made today by Rox Resources Ltd (ASX: RXL; **Rox**) and confirms that it made a binding but confidential offer for Rox's 30% interest in the Reward Joint Venture with Teck Australia Pty Ltd (**Teck**) on Friday, 5 August 2016 for a **total consideration of A\$16 million (Marindi Offer)**.

The Marindi Offer is open for acceptance until **5.00pm AWST, 9 August 2016**.

Marindi has requested a trading halt until it is advised whether its offer has been accepted.

The Company believes the Marindi Offer represents a vastly superior proposal to the highly conditional offer made by IMI Zinc Exploration Pty Ltd, a subsidiary of the suspended IM Medical Limited (IM Medical), as detailed in Rox's ASX Release dated 19 July 2016.

The key advantages, both qualitative and quantitative, of the Marindi Offer over the IM Medical proposal includes:

- ✓ Materially higher offer at \$16 million versus \$14.8 million;
- ✓ Substantially higher cash component – \$6 million versus \$2 million;
- ✓ The complementary nature of Marindi's Northern Territory zinc interests with the Reward Project – the attachment to this ASX Release contains a project map showing Marindi's existing tenure relative to the Reward Project Joint Venture tenure. Marindi believes it is the natural owner of Rox's interest in the Reward Joint Venture;
- ✓ Professional working relationship with Teck already in place;
- ✓ Strong management team at Marindi with proven exploration, development and mining of zinc projects and a strong existing asset base including the Newman Base Metal Project in WA's Pilbara region with established zinc resources;
- ✓ IM Medical will need to satisfy the new ASX Reverse Takeover (Back Door) Rules that are now much harder to achieve and remain uncertain;

- ✓ Although Rox will likely emerge as Marindi's largest shareholder, its shareholding will be less than the 50-60% in IM Medical, therefore avoiding an ongoing stock overhang; and
- ✓ lower conditionality of the Marindi Offer.

Rox has advised Marindi that it is legally prevented from discussing the Marindi Offer due to the 'no-talk' restrictions in its agreement with IM Medical.

The total consideration under the Marindi Offer is as follows:

- A\$6 million in cash (minus any deposit);
- Ordinary shares in Marindi to the value of A\$4 million, and
- redeemable convertible preference shares in Marindi to the value of A\$6 million, to be paid and issued at the completion of the proposed transaction.

The Marindi Offer includes a non-refundable deposit of A\$150,000 payable to Rox upon execution of a formal asset sale agreement.

The Offer is subject to conditions precedent being met, including (inter alia) the pre-emption rights of Teck not being exercised, the relevant approvals for the transaction being obtained and Marindi completing any fundraising required by it for the purposes of the transaction.

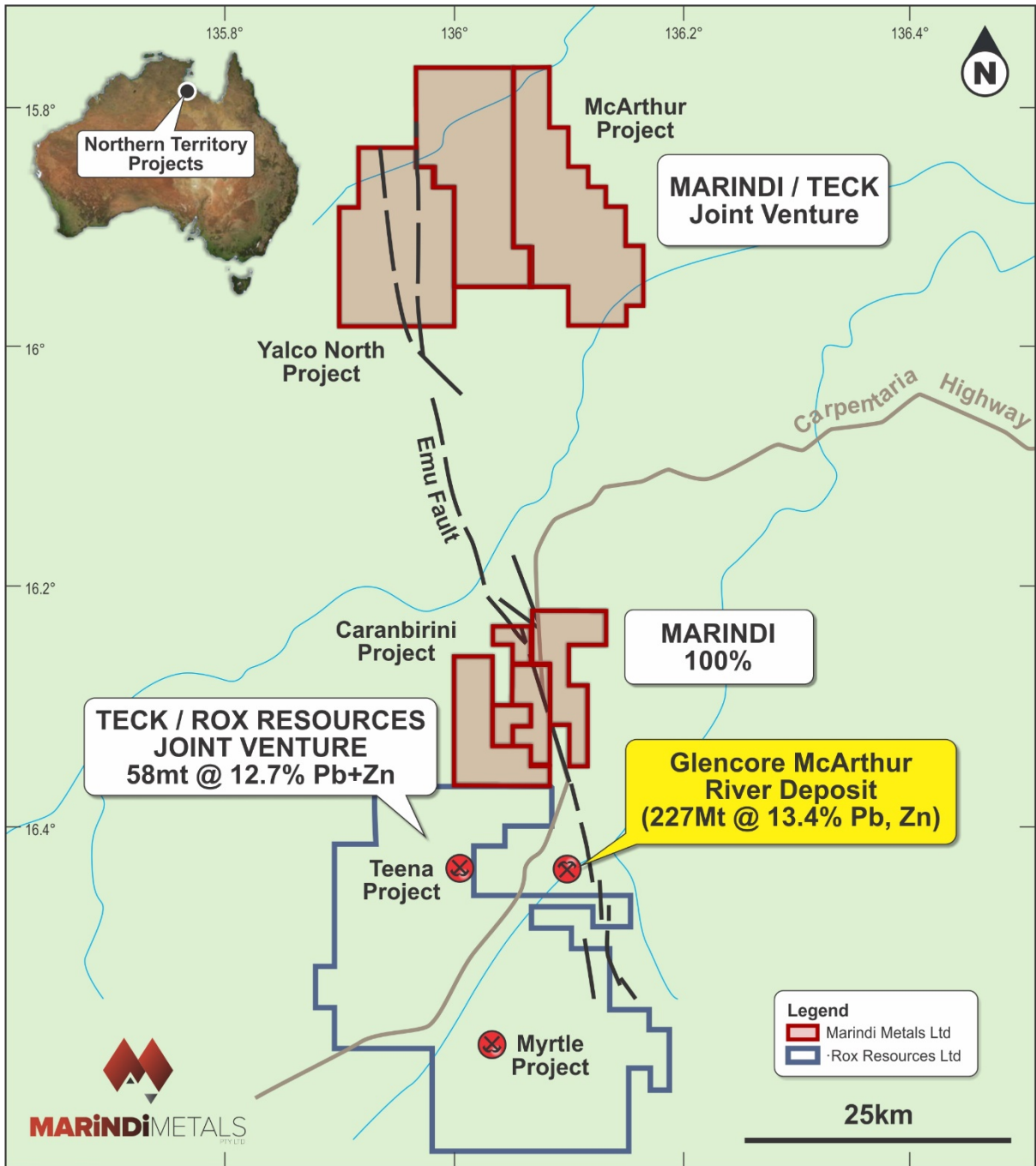
Marindi has received written confirmation from Argonaut that, subject to Rox accepting the Marindi Offer and Teck not pre-empting the transaction, it intends to underwrite, on industry standard terms, a capital raising sufficient to complete the transaction and provide ongoing funding for Marindi.

The Offer also contains exclusivity requirements including no-talk and no-shop restrictions, along with a break-fee of A\$300,000. The break fee would be payable in certain circumstances such as where Rox is in material breach of its contractual obligations owed to Marindi, or where it doesn't seek Teck's approval of the Offer, or where Rox accepts a superior proposal.



Jeremy Robinson
Company Secretary

Attachment – Project Location Map



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