

Rox Resources Ltd

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Rox Resources hunts pre-development projects as it focuses on gold assets

Rox Resources Limited (ASX:RXL) has set its Mt Fisher Gold Project and Collurabbie Nickel-Copper-PGE-Gold Project in Western Australia as top projects as former Patersons Securities finance and research director Alex Passmore settles into his new role as chief executive officer.

Passmore, a trained geologist and former Commonwealth Bank natural resources director, spoke to Proactive Investors last week and acknowledged he brings a different perspective to the company.

The CEO confirmed West Perth company Rox was on a project hunt as the cashed up junior looks for a new gold, silver, copper or zinc project with "near-term commercialisation potential."

WATCH: Rox Resources seeks further acquisitions to fit near-development nickel-gold portfolio

New CEO Passmore told Proactive last Friday: "There's been a raft of new projects that we've started to look at that were different to the previous management team.

"The company is looking to further its existing projects but also to look at different projects, maybe more advanced projects that require a more financing and feasibility skill set.

"There's been over a hundred assets we've looked at in the last year - we continue to be very actively looking for assets that offer shareholder value and that strategic fit in the pre-development stage."

Passmore has also brought the table an understanding of what the company's shareholders are looking for and what is available on the market.

He acknowledged: "I have been in the role for around a month (and) came to Rox through the different network of people in the industry and a different viewpoint as to how to analyse projects."

Passmore has spent the last 2.5-plus years as a director of the Subiaco-based corporate advisory, capital structuring and funding origination company Horizon Advisors Pty Ltd.

The CEO has a 15-or-so-year history with Rox and previously worked for the company that managed Rox's initial public offering in 2004.

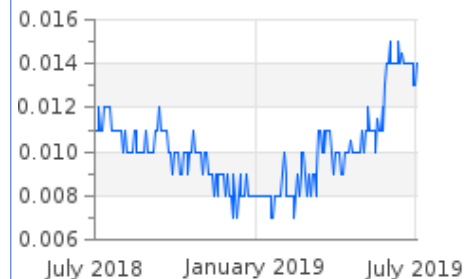
Explorer Rox has cash to burn and a few more options than the average junior.

Passmore said: "We're in a fortunate position relative to a lot of juniors.

Price: A\$0.014

Market Cap: A\$18.08M

1 Year Share Price Graph



Share Information

Code: RXL

Listing: ASX

52 week High Low
A\$0.02 A\$0.01

Sector: Mining

Website: www.roxresources.com.au

Company Synopsis:

Rox Resources Ltd (ASX:RXL) is listed on the Australian Securities Exchange.

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"We have 11.5 million dollars in cash and receivables — just under \$8 million cash.

"That does give us the flexibility to look at a lot of projects that perhaps some other juniors aren't able to look at — and we obviously are very well aware that's one of our key advantages."

"Watch this space"

Passmore's broader network gives the company access to a wider range of projects to go over and the CEO expects these project evaluation efforts may deliver extra news flow.

He said: "It's very much watch this space. I can't be too specific but look you might see some news flow on that, hopefully in the first half of this year."

Rox is aware its share price has a value disconnect, having traded below cash and receivable on low volumes.

Passmore acknowledged aged receivables, of about \$3.75 million, for the sale of a stake in Reward project in the Northern Territory.

He said: "We would suggest that is a fait accompli, the clock is just going to run down on that."

"The receivables are receivable from Teck (Australia Pty Ltd), which relates to an asset sale to Teck around three years ago. And that is payable in the next three and a half years."

The company had \$7.9 million cash and \$4.08 million of liquid assets and receivables at the end of December quarter 2018 and expected \$590,000 of cash outflows in March quarter 2019.

Priority projects

Mt Fisher Gold Project and Collurabbie Nickel-Copper-PGE-Gold Project are what Passmore views as Rox's two main projects.

Both are in the northeast area of WA's Yilgarn Craton.

The 570 square kilometre Mt Fisher Gold Project has 1 million tonnes grading 2.7 g/t gold for 89,000 ounces at the project's Damsel, Mt Fisher and Moray Reef deposits.

The project is considered underexplored, like its 168 square kilometre Northern Goldfields project Collurabbie where a drill program is expected to get going in April 2019.

Collurabbie project hosts the 573,000-tonne Olympia nickel sulphide deposit grading 1.63% nickel, 1.19% copper, 0.082% cobalt, 1.49 g/t palladium, and 0.85 g/t platinum.

A third project, the scoped out Fisher East Nickel Project, is effectively waiting for an improved nickel market, with enough heat in gold for now to deliver shareholder value.

Fisher East features 4.1 million tonnes grading 1.9% nickel for 78,000 contained tonnes.

Gold is a key focus for Rox these days, with Passmore and the company noting in a recent RIU Explorers Conference presentation that gold projects can be scaled to suit capital availability.

The precious metal is changing hands for more than \$1800 an ounce this week, compared to about USD\$6 a pound for the base metal nickel.

Field season results upcoming

Passmore hopes the company's 2019 field season will deliver results.

He said: "In terms of news flow on the existing projects, we have a pretty active field season this year.

"We've got RC [reverse circulation] and diamond drilling at Mt Fisher Gold and we've got RC drilling planned and geophysics planned at Collurabbie.

"The results from those programs will be out in late April, early May [2019].

"And we'd like to see resource updates and upgrades flowing from that."

A "pre-development" focus

While Mt Fisher Gold and Collurabbie are prospective, Rox wouldn't mind another gold project for the company's portfolio.

Passmore noted Mt Fisher Gold and Collurabbie projects were "some way off development.

"The portfolio — looking at it from a broader point of view — would benefit from a pre-development new-development asset.

"In gold would be our number-one focus, just given the capital intensity, the working capital requirements and the scale requirements that are in other commodities."

At Mt Fisher, Rox hopes to find the primary source of gold unearthed during previous drilling.

At Collurabbie the company will look at structures similar to Regis Resources Limited's (ASX:RRL) (FRA:RKQ) (OTCMKTS: RGRNF) Collurabbie belt projects Moolart Well and Garden Well.

Garden Well deposit features 3.5 million contained gold ounces.

Rox's previously-planned pick-up, the Bronzewing South Gold Project, will now not be acquired by the company.

Passmore doesn't see Bronzewing as a fit for Rox's emerging focus on pre-development projects.

He said: "We just couldn't see the value that that was going to bring in the very short term.

"We continue to be very, very actively looking for assets that offer shareholder value and also that strategic fit in that pre-development stage."

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