

Rox Resources Limited

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Rox Resources gets speculative buy recommendation from Taylor Collison

Rox Resources Ltd (ASX:RXL) has an extensive exploration package for both gold and nickel in Western Australia including the Youanmi Gold Mine, Mt Fisher Project and Fisher East Project.

Taylor Collison has initiated coverage on Rox with a speculative buy recommendation and a price target of 7.2 cents.

Following is an extract from Taylor Collison's research report:

Investment Highlights

- Rox Resources (RXL) is focussed on gold and nickel assets in Western Australia including the Youanmi Gold Mine (earning up to 70% from Venus Metals), the Mt Fisher Project (gold) and Fisher East Project (nickel)
- The Youanmi tenure (including 50% JV regional exploration ground) covers ~40km strike of prospective shear zone
- The Youanmi Gold Mine has produced 670koz at 5.4g/t Au, which closed in 1997 when the gold price hovered around A\$400/oz. The project has a current Mineral Resource Estimate of 12.4Mt @ 2.97g/t Au for 1.19Moz (532,700oz at 1.65g/t in near surface material)
- There is a high likelihood of immediate extensions of the Youanmi Pit and also additional targets in close proximity that are being drilled along the known mineralised trends
- Significant infrastructure still exists on site including:
 - CIP process plant (600ktpa) - requires significant refurbishment
 - Tailings disposal facility - Mine offices
 - Core shed
 - Borefield
 - Access roads and airstrip
- Fisher East Project - contains two nickel sulphide Resources (total of 4.2Mt @ 1.9% Ni for 78kt of Ni metal) that are 150km from established infrastructure (BHP's Leinster Nickel Operations). There is exploration upside with 40km of nickel prospective basal contact
- Mt Fisher Project - JORC Resource of 89koz @ 2.7g/t Au.

Valuation

The price target of 7.2c/share is based on \$145/oz of in-ground value for the oxide Resource (no metallurgical issues) at Youanmi, infrastructure in place

Price: \$0.02

Market Cap: \$30.99 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: RXL

Listing: ASX

52 week High Low
0.035 0.007

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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and the company's extensive exploration package (JV and 100% owned) for both gold and nickel. Recent deals that reinforce these valuation metrics include:

- Regis Gold's (RRL) purchase of Duketon Mining's (DKM) gold tenements for \$20m cash (plus \$5m payments on achievement of milestones). This included an Inferred Resource of 96koz (1.9Mt @ 1.5g/t), which equates to **~\$208 per Resource ounce** (ignoring the milestones).
- Northern Star's (NST) takeover of Echo Resources (EAR) for ~\$243m cash. The total Resources in this deal were 27.4Mt @ 1.9g/t (1.67Moz), which equates to **~\$145 per Resource ounce**.

Summary

With numerous targets to drill (focussing on oxide and free milling high grade material) and the current advanced set-up at Youanmi (plus additional gold/nickel prospective tenements), we look forward to extensive news flow over the coming months and initiate coverage on Rox Resources (RXL) with a Speculative Buy recommendation.

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