Quarterly Report

For the period ended 31 December 2011

ROX RESOURCES

HIGHLIGHTS

- **RC drilling at Mt Fisher gold project intersects high grade gold at several prospects including:**

  3 m @ 15.9 g/t Au from the Moray Reef prospect

  5 m @ 4.34 g/t Au from the Mt Fisher Mine prospect

  7 m @ 3.02 g/t Au from the Damsel prospect, and

  12 m @ 2.28 g/t Au from the Damsel prospect.

- **Resource estimates underway for three gold deposits at Mt Fisher.**
- **Soil sampling, mapping and RC drilling completed at Marqua phosphate project with high grade drill intercepts including:**

  3m @ 29.8% P_2O_5 from the Coquina Creek prospect

  4m @ 28.6% P_2O_5 from the Coquina Creek prospect, and

  4m @ 15.7% P_2O_5 from the Mauritania prospect.

- **Diamond core drilling suspended at Myrtle in November due to weather and access conditions, but will recommence as soon as possible in 2012 after the wet season.**

MT FISHER GOLD-NICKEL PROJECT, WA (Rox 100%)

RC Drilling

During the quarter Rox completed a 36 hole, 5,670 metre RC drilling program at Mt Fisher (Figure 1), which returned a number of high grade gold intercepts (previously reported in ASX announcement on 22 December 2011) and confirmed the potential for several gold resources to be estimated.

The drilling achieved a number of significant results:

- High grades were confirmed at the Moray Reef prospect,
- A potential new parallel lode was discovered at Moray Reef,
- Extension of gold mineralisation over 200m down plunge beneath the Mt Fisher mine was indicated, and
- Drilling results confirmed the potential for a shallow oxide gold resource at the Damsel prospect.

Highlights of the drilling included:

Moray Reef
4 m @ 13.9 g/t Au from 24 metres in MRRC001,
2 m @ 4.36 g/t Au from 141 metres in MRRC002,
3 m @ 15.9 g/t Au from 61 metres in MRRC003, and
2 m @ 16.9 g/t Au from 49 metres in MRRC005.

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Highlights of the drilling continued:

Mt Fisher Mine

5 m @ 4.34 g/t Au from 126 m in hole MFRC027, and
2 m @ 4.78 g/t Au from 158 m in hole MFRC029.

Damsel

3 m @ 1.83 g/t Au from 141 metres in MFRC016,
5 m @ 1.49 g/t Au from 159 metres in MFRC016,
7 m @ 3.02 g/t Au from 120 metres in MFRC018,
12 m @ 2.28 g/t Au from 46 metres in MRFC019,
2 m @ 7.86 g/t Au from 72 metres in MFRC020,
5 m @ 1.90 g/t Au from 61 metres in MFRC021,
1 m @ 3.65 g/t Au from 79 metres in MFRC022.
3 m @ 2.22 g/t Au from 39 metres in MFRC023,
3 m @ 4.90 g/t Au from 71 metres in MRFC024, and
1 m @ 2.86 g/t Au from 37 metres in MFRC025.

Following the receipt of the drill assays which were undertaken by the 50g fire assay technique, selected samples from Moray Reef were re-analysed by a cyanide bottle roll leach ("Leachwell") technique. The Leachwell technique is used where there is evidence of high grades or free gold and indicates the likely gold that can be recovered using the sort of gold extraction normally used in gold treatment plants. The Leachwell results indicate a 9% higher gold grade on average than the previous fire assay results from Moray Reef.

Resource Estimates

The results of the drilling at Moray Reef, Mt Fisher Mine and Damsel (Figure 2) are sufficient for the company to now estimate mineral resources for these gold mineralised zones and assess further drilling to extend and increase the resources.

All of these potential gold deposits are located within 120km trucking distance of the nearest gold treatment plant. Moray Reef and Mt Fisher are located on granted mining leases, while Damsel is located on an exploration licence. Any mining from Mt Fisher would be subject to exercising the option to purchase the project, and initial production would be subject to a $5/ounce royalty payable to a previous owner. The Moray Reef deposit however, is 100% owned by Rox and is not subject to any royalties.

Looking Ahead

Resource estimates are currently underway for the gold mineralised zones defined by the drilling at Moray Reef, Mt Fisher and Damsel. These should be completed by mid-February, and while expected to be initially modest in size their definition will be an important milestone in the development of the project.

The resource estimation exercise will also allow analysis to determine further drilling to expand and increase the resources.

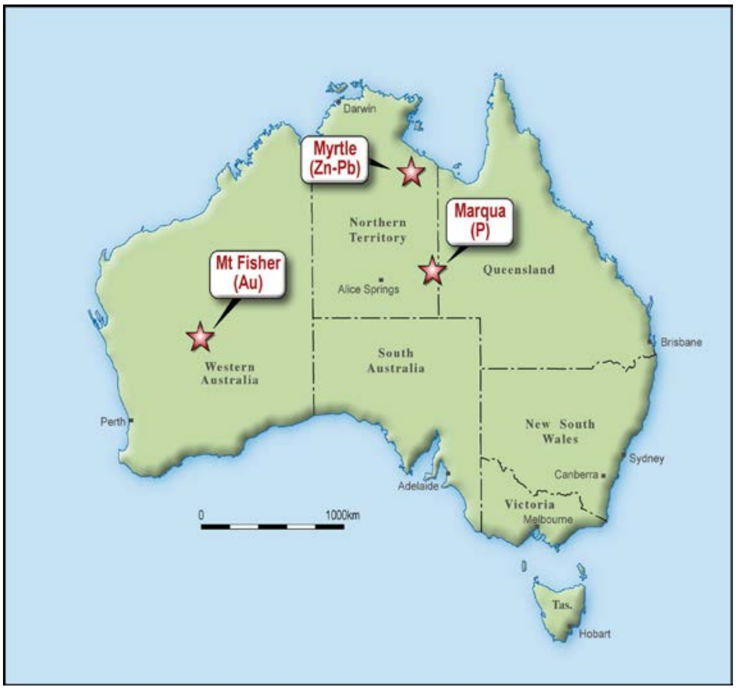

Figure 1: Rox Projects Location Map

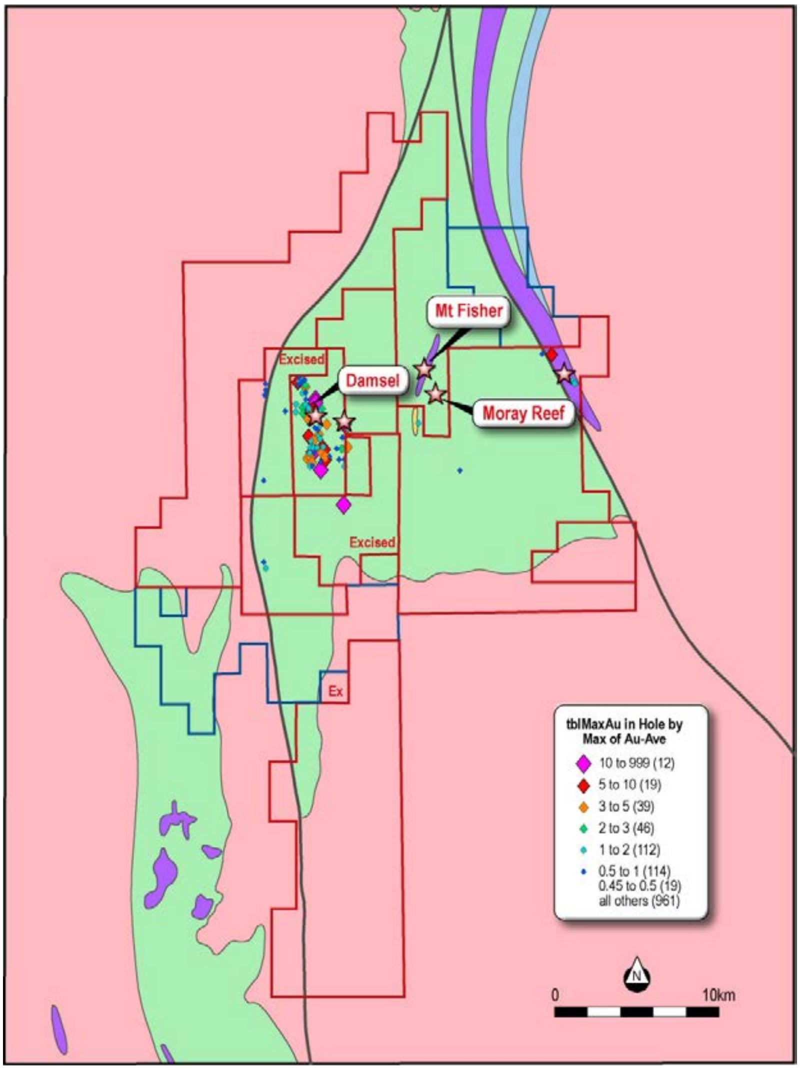

Figure 2: Mt Fisher Prospect Locations

MARQUA PHOSPHATE PROJECT, NT (Rox 100%)

RC Drilling

Following a soil sampling and mapping program during the quarter that confirmed the previous interpretation of the location of the phosphate-bearing horizon at the company's Marqua phosphate project, 450km east of Alice Springs (Figure 1); a 29 hole, 1,900 metre RC drilling program was completed, which was designed to:

(a) confirm high grade areas at Coquina Creek,
(b) test new prospect areas such as Mauritania, and
(c) test around the periphery of previously known mineralisation to test the extent.

High Grades Confirmed

Drill holes MQRC021, 022 and 026 confirmed the previous high grades intersected at the Coquina Creek prospect:

3m @ 29.8% P2O5 from 45 metres in hole MQRC026
4m @ 28.6% P2O5 from 13 metres in hole MQRC021
3m @ 22.6% P2O5 from 25 metres in hole MQRC022.

Two of the holes intersected grades above 30% P_2O_5:

MQRC021, 1m @ 33.6% P_2O_5 from 14m down hole, and
MQRC026, 2m @ 34.2% P_2O_5 from 46m down hole.

Mineralisation at Coquina Creek occurs over an approximate strike length of 2 kilometres and dips shallowly to the north. The area has only been drilled at wide spacing (200 metre sections) and down dip to a maximum depth of about 50 metres. A substantial deposit could exist, but will require further drilling.

Testing Of New Areas

A new potential high grade zone at the Mauritania prospect was also discovered with hole MQRC003 returning 4m @ 15.7% P_2O_5 from 14-18m down hole, including 1m @ 21.8% P_2O_5 from 15m (Figure 3). Further drilling in the vicinity of this drill hole is warranted.

Drill hole MQRC029 at the Library Ridge prospect also confirmed continuation of mineralisation in that location (Figure 4).

Drilling Around The Periphery Of Previously Known Mineralisation

Other known high grade mineralised areas also occur at Foss Hill, Red Heart and White Hill. Drilling was undertaken to test the extent of these mineralised zones over wider areas and was successful.

Extent of Phosphate Horizon and System

Currently a phosphate bearing horizon extending over 30 kilometres in strike length and dipping shallowly to the north has been drill tested at nominally 1 kilometre spacing, with closer spaced drilling in areas of outcrop, or higher grades. This extensive mineralised system has not been tested at depth, with the deepest drill only reaching 100m in depth, and most only generally testing to 50 metres depth.

Potential exists for a substantial phosphate resource to be defined at Marqua with further drilling, especially down dip to the north from known areas of high grade phosphate mineralisation.

Looking Ahead

Following the current compilation of drilling and geological data the company will assess the best way of moving this project forward, and will consider a number of options.

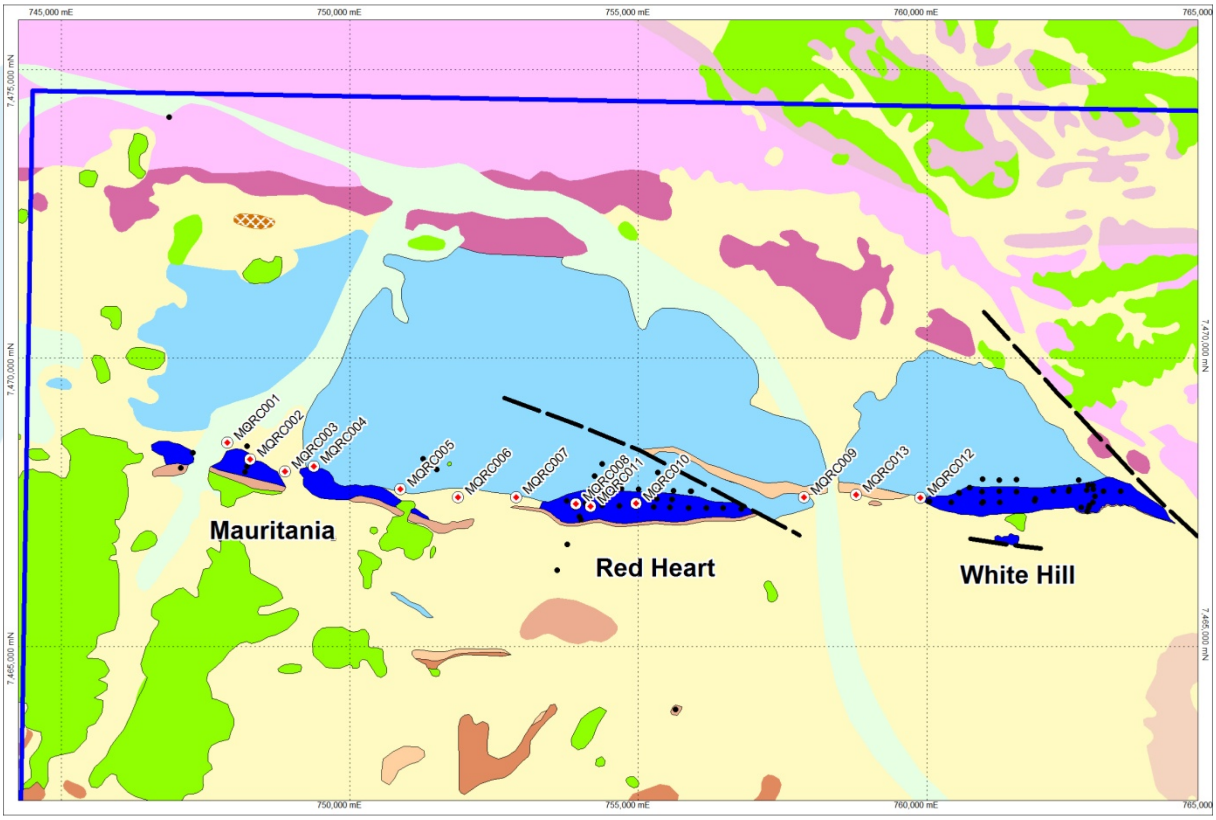

Figure 3: Marqua Drilling, West Section

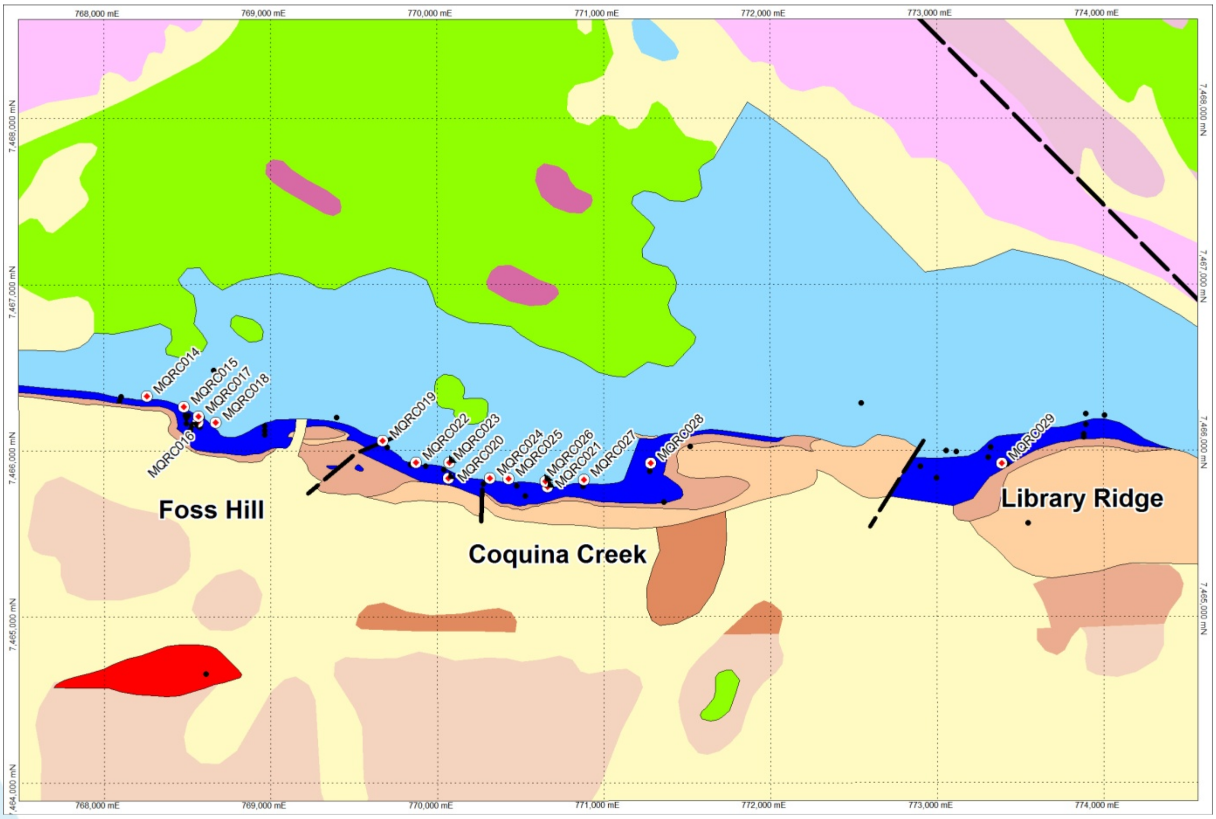

Figure 4: Marqua Drilling, East Section

MYRTLE ZINC-LEAD PROJECT, NT (Rox 100%, Teck earning up to 70%)

Diamond core drilling by project operator Teck Australia commenced at Myrtle during the quarter but was suspended in late November following record rainfall in the region over the month of November which impacted drilling operations. The first hole has been drilled to 227.5 metres, in the Barney Creek Formation stratigraphically above the mineralised zone.

A total of 7 drill holes are planned to test various targets at Myrtle. Holes are designed as large step-outs to test new localised lower-order sub-basins adjacent to the major Western and Myrtle Faults.

Drilling will re-commence as soon as possible in 2012 after the end of the current wet season.

Teck have established a 10 man camp consisting of 3 portable accommodation blocks, and kitchen/ office and ablutions facilities to service drilling and field operations.

A surface geochemistry survey completed during the quarter trialled a number of new geochemical extraction (digest) methods that could be used for further exploration of the Myrtle and surrounding area. These included water leach, bioleach, calcium nitrate leach, enzyme leach, hydroxylamine leach and soil gas hydrocarbons. The partial leaches were effective in increasing the signal to noise ratio and therefore the footprint of the anomalism, but were not a significant advance on the results received by the standard aqua regia digest.

CORPORATE

Cash on hand at the end of the quarter is a healthy $2.38 million.

Dated this 31st day of January 2012.

Signed on behalf of the Board of Rox Resources Limited.

Ian Mulholland

IAN MULHOLLAND
Managing Director

About Rox Resources

Rox Resources (ASX: RXL) is an Australian exploration company with three key projects: the Mt Fisher Gold project in Western Australia, and the Myrtle zinc-lead project and the Marqua phosphate project, both located in the Northern Territory..

At Mt Fisher, Rox has acquired a highly prospective area of 615 km^2, well endowed with gold, and with strong potential for nickel, only 40km to the east of the prolific Yandal greenstone belt and 100km east of the main Wiluna greenstone belt. Three parallel structures at the Dam-Dirks prospect define a 5km long gold-in-regolith anomaly which is largely untested at depth. There are numerous high grade drill results over the project area including 1m @ 187 g/t Au and 3m @ 67 g/t Au at the Moray Reef prospect.

In addition Rox has an Option to acquire a further area of 170 km^2, including the Mt Fisher gold mine which has produced ~ 4,500 ozs of gold from historic underground mining and 22,500 ozs of gold from open pit mining, and is open at depth and down plunge. There are several other strong targets for drill testing as well. The total area under exploration by Rox at Mt Fisher is 785 km^2.

Rox has signed a joint venture agreement with Teck Australia Ltd. ("Teck") to explore its Myrtle project tenements which cover 669 km^2 adjacent to the world-class McArthur River zinc-lead deposit in the Northern Territory. The terms of the JV require Teck to spend $5 million to earn an initial 51% interest within 4 years including a minimum of $1 million and 2,000 metres of drilling by 21 July 2012. Teck can increase its interest in the project to 70% by spending an additional $10 million ($15 million in total) over an additional 4 years.

A SEDEX style deposit has been identified by Rox at the Myrtle prospect, where an Inferred Mineral Resource of 43.6 million tonnes grading 4.09% zinc and 0.95% lead has been delineated to JORC Code standards. Thick drill intercepts of prospective stratigraphy carrying significant zinc-lead grades have already been made but only a small portion of the prospective area has been drilled, and Rox is extremely confident the resource will to continue to grow with further drilling. A higher grade core of 15.3 million tonnes grading 5.45% zinc and 1.40% lead is present, and a large mineralised system is indicated. Several other prospects in the tenement area have similar potential to Myrtle but are at an early stage of exploration.

Rox also owns 100% of the Marqua phosphate project in the Northern Territory located 300km south-west of Mt Isa. A 25 km long strike length of phosphate bearing rocks has been identified by surface sampling (up to 39.4% P_2O_5) and drilling (including 6m @ 19.9% P_2O_5 and 5m @ 23.7% P_2O_5), and there is the potential for a sizeable phosphate resource to be present. The project is located only 250 km from the nearest railhead and gas pipeline at Phosphate Hill and covers ~ 2,600 km^2.

Mineral Resources*

Cut-off Zn+Pb%	Category	Tonnes (Mt)	Zn %	Pb %	Zn+Pb %	Zn kt	Pb kt	Zn+Pb kt	Rox Share**
3	Indicated	5.8	3.56	0.90	4.45	205	52	257	
3	Inferred	37.8	4.17	0.95	5.12	1,575	361	1,936	
TOTAL		**43.6**	**4.09**	**0.95**	**5.03**	**1,780**	**412**	**2,193**	**100%**
5	Indicated	1.2	5.38	1.42	6.80	64	17	81	
5	Inferred	14.1	5.45	1.39	6.85	768	196	965	
TOTAL		**15.3**	**5.45**	**1.40**	**6.84**	**833**	**213**	**1,046**	**100%**

* Reported to the ASX on 15 March 2010.

** Teck Australia can earn a 51% interest by expending $5m by 21 July 2014, and can earn a 70% interest by expending a total of $15 by 21 July 2018.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, MAICD, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Mulholland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mulholland is a full time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 5B

Mining Exploration Entity Quarterly Report

Name of entity

ROX RESOURCES LIMITED

ACN or ARBN	Quarter ended ("current quarter")
107 202 602	**31 December 2011**

Consolidated statement of cash flows

			Current Quarter A$'000	Year to Date (6 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for:	(a) exploration and evaluation	(1,128)	(1,735)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(214)	(463)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		14	52
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other – Security bonds repayments		-	-
	Net Operating Cash Flows		(1,328)	(2,146)
	Cash flows related to investing activities			
1.8	Payment for purchases of:			
		(a) prospects	(175)	(175)
		(b) equity investments	-	-
		(c) other fixed assets	(1)	(5)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other -		-	-
	Net investing cash flows		(176)	(180)
1.13	Total operating and investing cash flows (carried forward)		(1,504)	(2,326)

1.13	Total operating and investing cash flows (brought forward)	(1,504)	(2,326)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares (net of costs)	-	347
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	347
	Net increase (decrease) in cash held	(1,504)	(1,979)
1.20	Cash at beginning of quarter/year to date	3,886	4,361
1.21	Exchange rate adjustments to 1.20	-	-
1.22	**Cash at end of quarter**	2,382	2,382

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	149
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available
Add notes as necessary for an understanding of the position.

	Amount available $A'000	Amount used $A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	169
4.2	Development	-
4.3	Production	-
4.4	Administration	259
	Total	428

Reconciliation Of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	137	-
5.2	Deposits at call	2,245	3,886
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,382	3,886

Changes in interests in mining tenements

		Tenement reference	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interest in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interest in mining tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 **Preference securities** *(description)*	-			
7.2 Changes during quarter	-			
7.3 **Ordinary securities**	398,336,377	398,336,377		
7.4 Changes during quarter - Issued - Options exercised	- -	- -	- -	- -
7.5 **Convertible debt securities** *(description and conversion factor)*	-			
7.6 Changes during quarter	-			
7.7 **Options** *(description and conversion factor)*	 3,750,000 550,000	 Nil Nil	*Exercise Price* $0.038 $0.047	*Expires* 26 Sept 2013 30 Nov 2014
7.8 Issued during quarter	550,000	Nil	$0.047	30 Nov 2014
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 **Debentures** *(totals only)*	-	-	-	-
7.12 **Unsecured notes** *(totals only)*	-	-	-	-

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

2. This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2012

Company Secretary

Print Name: Brett Dickson