Myrtle Resource Extension and Outlook

Open Briefing interview with MD Ian Mulholland

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

Market capitalisation: $9.2 million

In this Open Briefing®, Ian discusses:

- Expanded Myrtle resource
- Reward Project drilling program
- Joint venture with Teck

Record of interview:

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Rox Resources Limited (ASX: RXL) recently reported the results from six diamond drill holes at the Myrtle zinc-lead deposit within its Reward Project tenement package in the Northern Territory. The results, completed by Rox's earn-in and potential joint venture partner in the Reward Project, Teck Australia (Teck), extend the large mineralised system at Myrtle 400 metres north, 700 metres east and leave it open to the west. What is the significance of this resource extension to the scale of the Myrtle deposit?

MD Ian Mulholland
The deposit occurs in what we call the North Myrtle Basin, a depression in the rocks shaped like a basin, probably bounded by faults, where mineralisation precipitated over a relatively short time interval some 1.6 billion years ago. Rox's drilling at Myrtle in 2008 and 2009 defined one side of that basin and we estimated a mineral resource there, but its extent was limited by the amount of drilling that had been done. We knew there was a strong probability that the extent of the deposit was much larger and needed more drilling.

Teck has now drilled additional holes, but it's still early days. Only three of Teck's six holes in the recent program were drilled into the North Myrtle Basin, and each one of them hit the mineralised zone over reasonable thicknesses. However, the holes were located purposefully near the margins of the basin and the grades intercepted were low to moderate, which is to be expected when drilling at a deposit's outer edge.

Establishing the margins of the basin is very important in gaining an understanding of the deposit size. At this stage Teck isn't drilling for grade: they know from our drilling what the grades generally are and where the higher grade possibilities are. We believe Teck wanted to define the outer limits of mineralisation, which is needed for their further exploration planning. (*See Teck drill locations shown in Figure 1 attached).*

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Under your joint venture agreement on the Reward Project, Teck has the right to earn a 51% interest in the project by spending $5 million. What are the next steps in the drilling program as part of the earn-in?

MD Ian Mulholland
Teck is currently compiling and interpreting the results of the recent drilling into a three dimensional model. Often there are subtle indicators that give you a clue as to where the higher grade and greater thickness accumulations of sulphides are. Generally the more sulphides the greater the amount of mineralisation. Teck has a great deal of experience in this type of exploration which is why we chose them to become our partner in this project. Once Teck has done this work they will devise a new work program for Myrtle.

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Teck is about halfway through the time period required to earn the initial 51% interest in the project, yet there seems to have been only a small amount of drilling completed. What is the reason for the light drill program to date?

MD Ian Mulholland
Drilling is expensive and large companies like Teck prefer to do a lot of investigative work before they start drilling. This is a low risk approach and is a different approach to most junior companies where we tend to drill a lot earlier in the exploration timeline. Smaller companies can be more nimble when it comes to decision making and directing funds toward targeted drilling.

We finalised the agreement with Teck just before the end of the 2010 field season (May to October), leaving them little time to do any field work before the onset of the wet season that year. Unfortunately that wet season was a long one, with over twice the average rainfall and access wasn't possible until July 2011. Teck conducted a number of field programs during 2011 before taking in a drilling rig in late October. Unfortunately the wet season came early and the drilling was rained out in early November.

This year the weather has been kinder and Teck was able to gain access and start drilling in June. It seems it's taken a long time for this drilling program to be completed, but really it wasn't possible to get it done earlier. Now that Teck is established on the ground at Myrtle with a team of good people in place it will be able to move things along a lot quicker. We also expect Teck to complete field work at Teena in preparation for drilling next year – which we think should bring some exciting results.

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How does the recent drilling position Myrtle as a potential development project in comparison with other Australian zinc-lead projects?

MD Ian Mulholland
Nothing has changed our outlook for Myrtle and so far Teck's results indicate that it's a large mineralised system. We need to be patient as the picture starts to emerge. We're talking about a deposit size measured in kilometres not metres, and it will take some time to delineate.

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Teck has uncovered previously unreported historical drilling results from the Teena deposit, situated 15 kilometres north of Myrtle, showing results grading up to 10.9% zinc+lead over 11.3 metres. Teena is also situated within the joint venture Reward Project. How will this new data from Teena be assessed, and are there any plans to drill there this year?

MD Ian Mulholland
Teck is working very hard on compiling and understanding the new information we've uncovered on the Teena prospect. This drill information is very exciting: it hasn't been in the

public domain previously and although high grades were indicated, there has been no follow-up for 35 years. The value of this drilling, if we were to undertake it today, would be well in excess of $2 million.

You can see this potential in Figure 2, which shows a cross section through Teena. The dimensions of the mineralised area at Teena appear to be at least 1 kilometre by 1.5 kilometres, with a thickness of up to 40 metres in places (adding up the various downhole intercepts). That's a very large potential volume of mineralisation, but it needs new drilling before we can start making any definitive statements about it.

We've got about three months left of the field season if we're lucky, but the preparatory work for drilling is going to take around two months of that. Teck is currently re-logging and re-sampling the old drill core, conducting surface exploration such as geological mapping and geochemistry. They then need to work out the best positions for follow-up drilling and get those plans approved by the Northern Territory Department of Resources. All of this takes time, so we're not expecting the drilling to commence until the beginning of next year's field season, and that's the timeframe Teck is working towards.

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What should shareholders be looking for in the short to medium term from Rox Resources' other projects?

MD Ian Mulholland
Our primary focus outside of Myrtle/Reward is our Mt Fisher gold-nickel project. We recently announced the results of some rotary air blast (RAB) and aircore drilling and the most significant outcome was the nickel geochemical anomaly we've defined over a strong electro-magnetic (EM) conductor along the Fisher East ultramafic belt. There is known nickel sulphide mineralisation 30 kilometres to the north that was drilled by WMC 10 years ago but never followed up. We've demonstrated the potential for this sort of mineralisation on our ground now and we'll be following this up with some deeper drilling very soon.

We also have a number of really good targets for gold mineralisation, especially in the Dam-Dirks prospect area where we have a series of strong gold geochemical anomalies extending over a 5 kilometre strike (Figure 3). Not much deep drilling has been undertaken here, and there are strong similarities to the adjacent Yandal Belt. For example the 3.6 million ounce Bronzewing deposits form a series of vertically plunging orebodies that only start at about 150 metres below surface but extend down over 1 kilometre. These were mined very profitably in the past and are a very real target type for us to chase at Mt Fisher.

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Thank you Ian.

For more information about Rox Resources, visit www.roxresources.com.au or call Ian Mulholland on (+61 8 6380 2988).

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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.

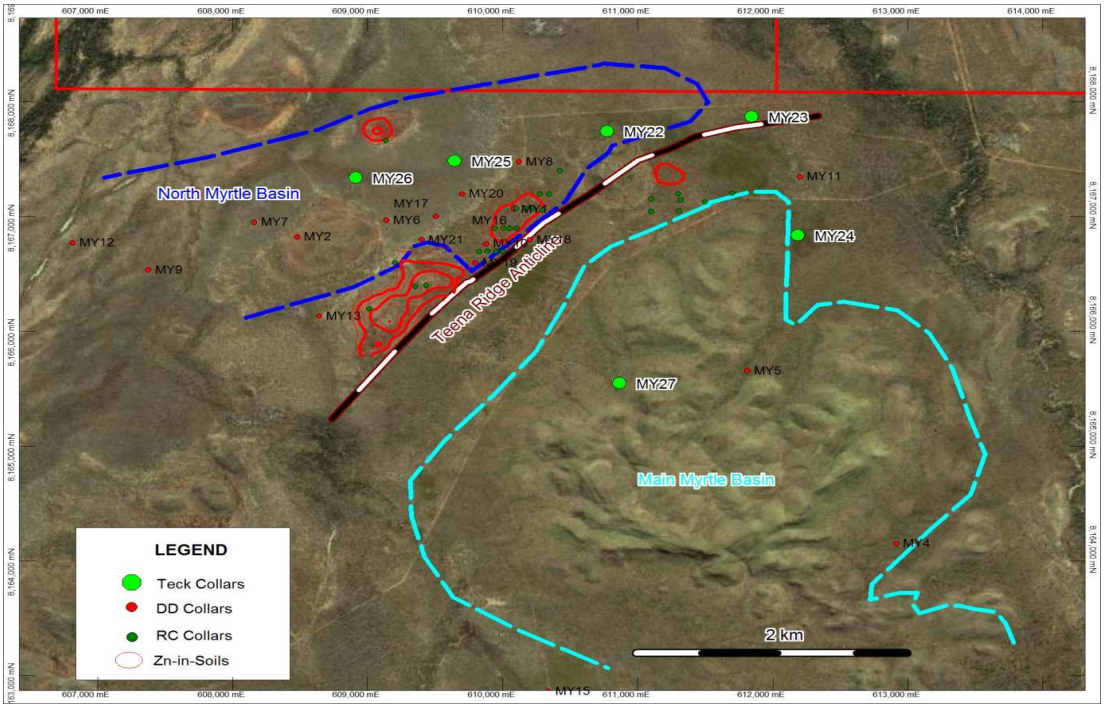

Figure 1: Myrtle Drilling

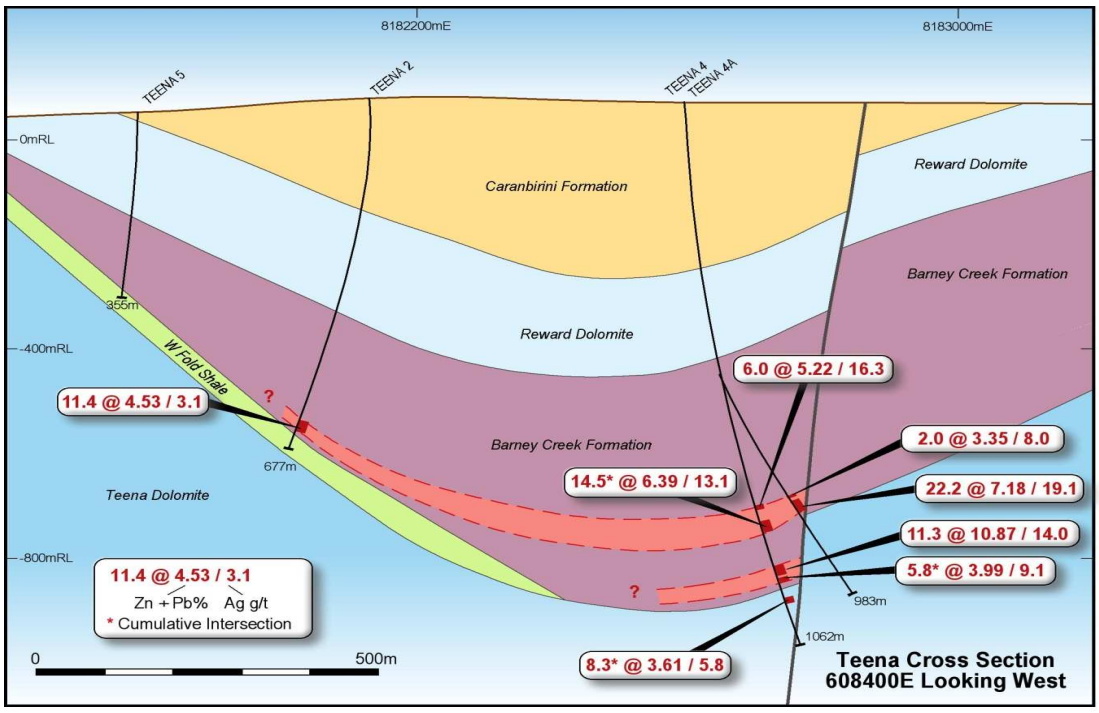

Figure 2: Teena Cross Section

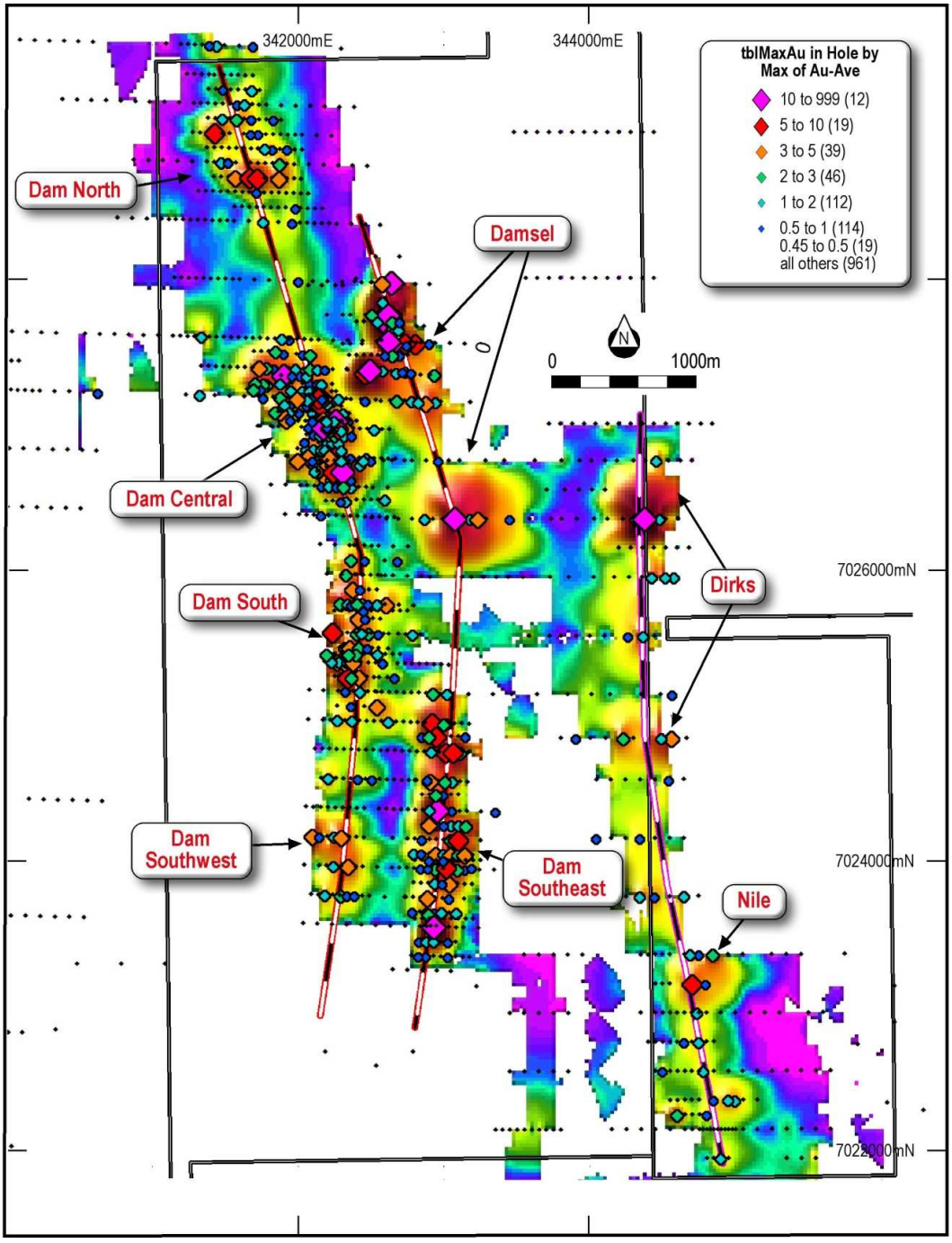

Figure 3: Dam-Dirks Gold Geochemistry