



1 July 2014

Dear Shareholder,

I am pleased to be able to report progress for the first half of 2014.

So far it has been another fruitful year for your Company with significant advances at our **Fisher East nickel sulphide project** and in particular the **Musket deposit** which was only discovered in December last year.

The excellent drilling results reported to date from Musket have intersected some of the highest grades of massive nickel sulphides ever recorded in Western Australia, with values up to 20% nickel. We have defined a coherent body of nickel sulphide mineralisation with true thicknesses of up to 10 metres. The mineralisation remains open both at depth and along strike to the north.

Even though Musket is yet to be fully drilled out we have commissioned independent consultants to undertake a maiden mineral resource estimate to assess the current size of the resource in this deposit. This is expected to demonstrate not only that our resource base is heading towards the critical mass needed to consider development options for the area but also the strong potential remaining at both Musket and **Camelwood** to increase in size.

Drilling at **Cannonball** continues to intersect high grade nickel but over relatively narrow widths of 1 to 2 metres. Strong near surface targets remain at Cannonball and Musket, and RC drilling will commence shortly to test these targets.

In addition we will shortly commence a RAB/aircore drilling program to investigate other targets along our interpretation of the Camelwood-Cannonball-Musket trend over a strike length of 5km to the south of Musket, and we eagerly look forward to receiving these results over the ensuing weeks.

The last two years or so has seen the Company's focus at Mt Fisher firmly on the exploration of its nickel sulphide targets. However, shareholders should not forget that the premise for our entry into the Mt Fisher area was its gold prospectivity. There is significant gold exploration potential within the project area, where we already have a gold resource of 86,000 ounces defined. To further evaluate this prospectivity a diamond drill hole was recently completed at the Dam prospect where previous RAB drilling defined a very strong gold-in-regolith anomaly. We believe there is potential for a Bronzewing style of gold deposit to be present at Dam, and results from this hole will be announced when available.

By now we would have expected field work to have commenced on our **Reward zinc-lead project** in the Northern Territory, managed and funded by our joint venture partner Teck. However, Teck have advised that the exploration program initially planned to commence in May, involving further diamond drilling at the **Teena zinc-lead prospect**, will now probably commence sometime in July-August. It is anticipated that the planned exploration program will still be completed before the onset of the northern wet season in November-December.

At the **Bonya copper project** in the Northern Territory, the Company successfully identified a number of significant EM anomalies that could represent accumulations of copper sulphide mineralisation, and a drilling program to test these anomalies is planned to commence there in the third quarter (July-September) of this year.

The market environment for junior exploration companies still remains challenging, and because of this the Company has elected to relinquish its tenements covering the **Marqua phosphate** prospects, since we were not successful in finding a partner for the project.

Many commentators are predicting a strong future for the prices of nickel and zinc, and the Company is well placed to take advantage of any price increases in these commodities. Our exposure and leverage to nickel and zinc are amongst the strongest of any ASX listed company.

In March this year with the support from international and Australian based investors the Company raised \$3.5 million to enable follow up drilling at Musket and other targets at Fisher East. The results outlined above indicates the excellent return the Company has achieved with those funds and it remains committed to ensuring, as far as possible, that funds are spent on “in the ground” exploration activities.

I look forward to being able to report further strong results from our projects during the second half of the year and thank you for your continued support.

Kind Regards,



Your team at Rox Resources

Jeff Gresham - Chairman
Ian Mulholland - Managing Director
Brett Dickson – Finance Director
Will Belbin – Exploration Manager

Competent Person Statements:

The information in this report that relates to nickel Exploration Results for the Mt Fisher Project 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Mulholland is a full time employee and Managing Director 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.

The information in this report that relates to nickel Mineral Resources for the Mt Fisher project was reported to the ASX on 3 October 2013. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 3 October 2013, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 3 October 2013 continue to apply and have not materially changed.

The information in this report that relates to Exploration Results and Mineral Resources for the Reward Zinc-Lead, Bonya Copper and Marqua Phosphate projects and for the gold Mineral Resource defined at Mt Fisher, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and 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.