ASX ANNOUNCEMENT **16 MAY 2016**

Rox Resources Limited

ASX: RXL

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Projects:

Mt Fisher: nickel-gold (100%)

Reward: zinc-lead (diluting from 49% to 30%)

Bonya: copper-silver (earning from 51% to 70%)

$10M GOLD JOINT VENTURE

- **Term Sheet signed with leading gold explorer and miner, Doray Minerals over the Mt Fisher Gold tenements**
- **Doray to sole fund an initial $5M expenditure to earn a 51% interest and a total of $10 million to ultimately earn a 75% interest**
- **Tenements are highly prospective for gold, with a JORC 2004 Mineral Resource of 758,000t @ 2.52 g/t Au for 61,400 ounces**

Rox Resources Limited (**ASX: RXL**) ("**Rox**" or "**the Company**") is pleased to announce the signing of a binding Terms Sheet with Doray Minerals Limited **("Doray")** (ASX:DRM) for an earn-in joint venture over its Mt Fisher gold project located in the North Eastern Goldfields of Western Australia. Doray is a highly successful and leading mid-tier gold miner and explorer.

The Earn-in Joint Venture (**JV**) covers tenements at Mt Fisher which are prospective for gold, but specifically excludes the Fisher East Nickel project tenements.

A Mineral Resource of **758,000t @ 2.52 g/t Au for 61,400 ounces*** was previously estimated to JORC 2004 standard (ASX:RXL 10 February 2012), on the tenements (**this resource excludes the Mt Fisher gold mine mineral resource which is not included in the JV tenements*).

Rox Managing Director, Mr Ian Mulholland commented *"There was a high level of interest in the Mt Fisher Gold Project and we are delighted that a company with the credentials of Doray has chosen to partner with us to accelerate the search for a significant gold deposit in the area."*

"This joint venture vindicates our view of the prospectivity of the tenements for gold and we look forward to a long and fruitful relationship with Doray."

Doray Managing Director, Mr Alan Kelly commented *"Doray has a strong growth plan, and we see the addition of the Mt Fisher gold project to our* *portfolio as a strategically important move. The area has excellent potential for the sort of gold deposits we like to find and mine."*

The Mt Fisher Gold Project is located in the north-eastern goldfields of Western Australia. It is an area of active gold mining with major mines located at Wiluna, Jundee, Bronzewing and Darlot (Figure 1).

Agreement Details

1. Doray must contribute $1M to expenditure on the Tenements in the first 12 months (Stage 1).
2. After Stage 1, Doray may earn a 51% interest in the Tenements by expenditure of a further $4M over a further 2 years (Stage 2).
3. After Stage 2, Doray may elect to earn a 75% interest by expenditure of a further $5M over a further 2 years (Stage 3).
4. After Doray has earned a 75% interest, Rox will be required to contribute at 25% or dilute its interest, subject to 5 below .
5. Rox will be free carried through to the delivery of a Pre-Feasibility Study.
6. Doray is to meet Rox's obligations under the Brewer Option agreement, being $100K payments as at 30 June 2016 and 30 June 2017 (ASX:RXL 8 December 2014).
7. Doray and Rox are to meet final payments on the Brewer Option 50:50 ($300K each).
8. Should Rox's interest dilute to 5% or less, then it will revert to a 1% Net Smelter Royalty.
9. Rox will meet any residual payments under the Avoca Sale and Purchase Agreement (ASX:RXL 17 February 2011, 16 March 2011).
10. The tenements subject to the agreement with Doray are E53/1061, E53/1106, E53/1219, E53/1250, E53/1319, E53/1465, E53/1788 (subject to exercise of Brewer Option by Rox), E53/1836, M53/09, P53/1497 and P53/1625. Doray will also earn gold only rights to E53/1218.

Rox Projects

In addition to the Mt Fisher Gold Project, Rox retains a very strong portfolio of advanced minerals exploration projects including:

1. The Fisher East Nickel Project which has nickel resources totalling 4.2 million tonnes grading 1.9% Ni for 78,000 tonnes of contained nickel (ASX: 5 February 2016);
2. The Reward Zinc Project with a mineral resource at Myrtle of 44 million tonnes grading 5.0% Zn+Pb for 2.2 million tonnes of contained zinc + lead (ASX: 15 March 2010), together with the outstanding Teena prospect where drill intersections such as 38.8m @ 16.9% Zn+Pb and 35.4m @ 13.2% Zn+Pb (ASX: 29 September 2015 & 17 November 2015) have been recorded;
3. The Bonya copper project with massive copper sulphides intersected at the Bonya Mine prospect, including 38m @ 4.4% Cu and 11m @ 4.4% Cu (ASX:RXL 20 October 2014).

ENDS

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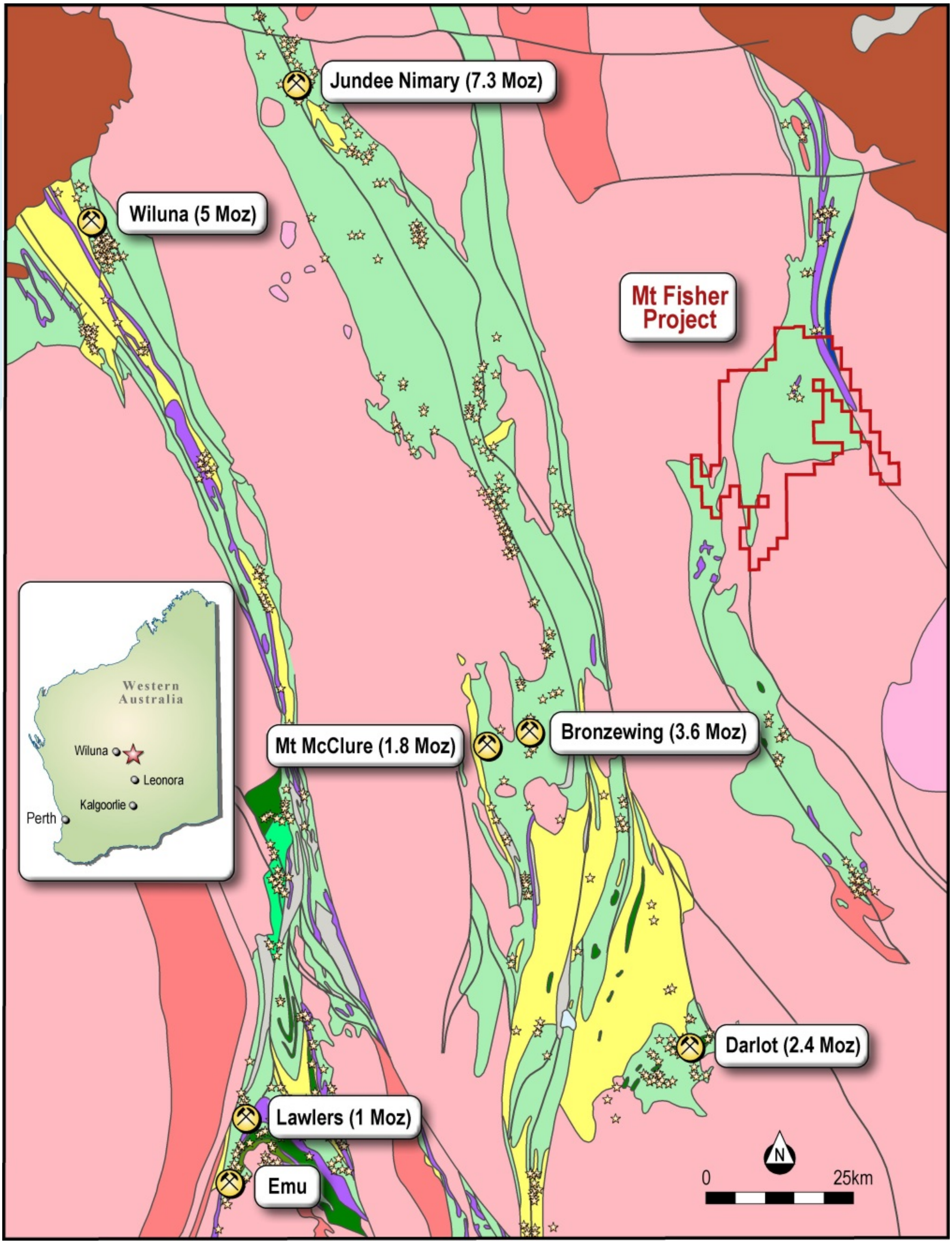

Figure 1: Location of Mt Fisher Gold Project (yellow stars are gold prospects)

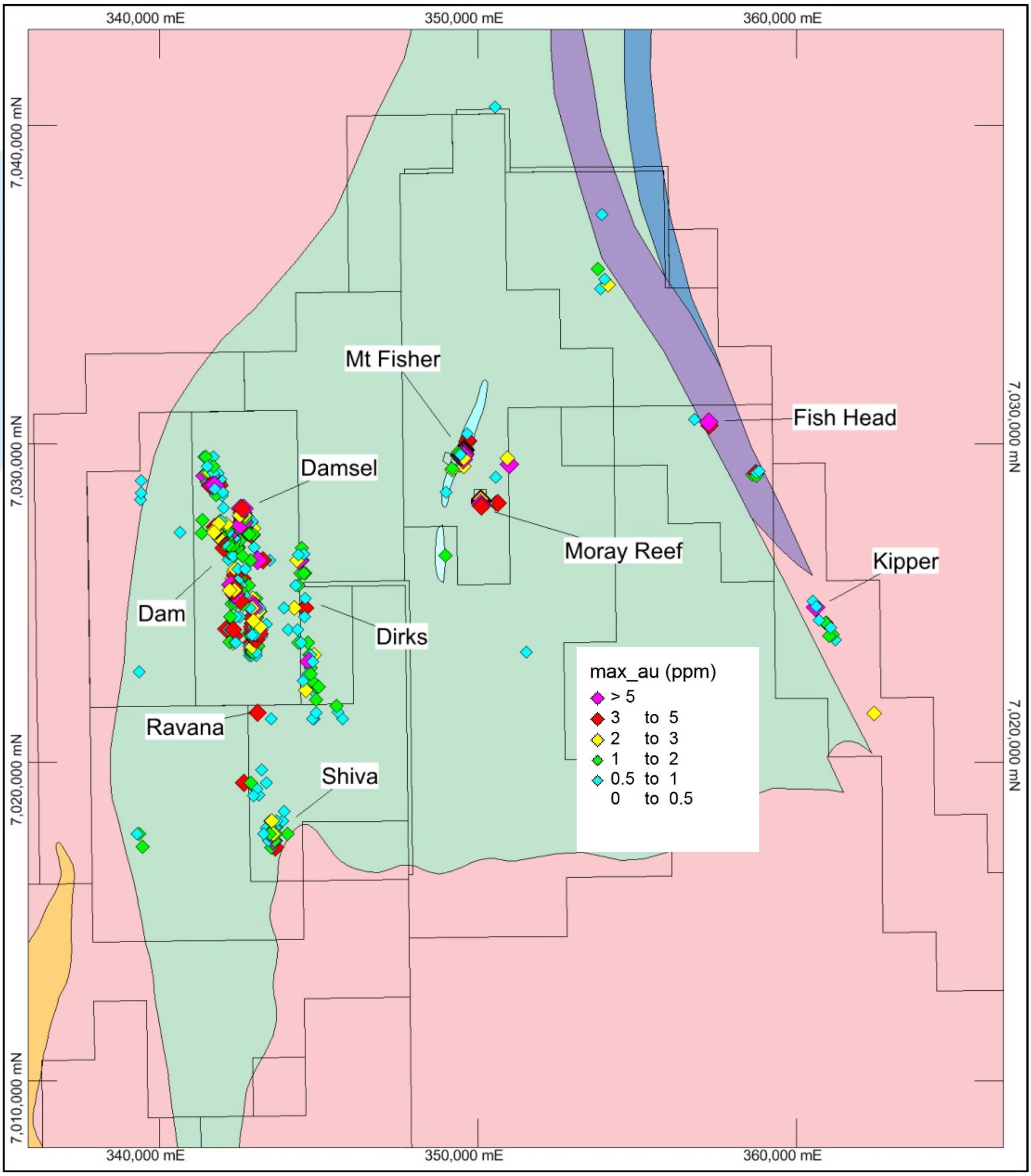

Figure 2: Gold Prospects showing Maximum gold in hole

Competent Person Statements:

The information in this report that relates to nickel Exploration Results for the Fisher East 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 the Mineral Resource for the Fisher East nickel sulphide deposits (viz. Camelwood, Cannonball and Musket) is based on information compiled by Mr Mick McKeown B.Sc. (Geology), Grad. Dip. Mining, M.Eng.Sci, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McKeown 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 McKeown is Senior Geologist/Mining Engineer at consulting firm Mining One Pty Ltd, 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 previous Exploration Results and Mineral Resources for the Reward Zinc-Lead, and Bonya Copper projects and for the gold Mineral Resource defined at Mt Fisher, was either prepared and first disclosed under the JORC Code 2004 or under the JORC Code 2012, and has been properly and extensively cross-referenced in the text. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, they have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has three key assets at various levels of development with exposure to gold, nickel, zinc, lead, and copper, including the Mt Fisher Gold Project (WA), Myrtle/Reward Zinc-Lead Project (NT), and the Bonya Copper Project (NT).

Mt Fisher Gold-Nickel Project (100% + Option to Purchase)

The Mt Fisher gold project is located in the highly prospective North Eastern Goldfields region of Western Australia and in addition to being well endowed with gold the project hosts strong nickel potential. The total project area is 675km^2, consisting of a 600km^2 area 100% owned by Rox and an Option to purchase 100% of a further 75km^2 of nickel and gold prospective ground.

Discovery of, and drilling at the Camelwood, Cannonball and Musket nickel prospects has defined a JORC 2012 Mineral Resource (ASX:RXL 5 February 2016) of **4.2Mt grading 1.9% Ni** reported at 1.0% Ni cut-off (Indicated Mineral Resource: 3.7Mt grading 1.9% Ni, Inferred Mineral Resource: 0.5Mt grading 1.5% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing 78,000 tonnes of nickel. Higher grade mineralisation is present in all deposits (refer to ASX announcement above), and is still open at depth beneath each deposit. Additional nickel sulphide deposits continue to be discovered (e.g. Sabre) and these will add to the resource base. Exploration is continuing to define further zones of potential nickel sulphide mineralisation.

Drilling by Rox has also defined numerous high-grade gold targets and a JORC 2004 Measured, Indicated and Inferred Mineral Resource (ASX:RXL 10 February 2012) of **973,000 tonnes grading 2.75 g/t Au** reported at a 0.8 g/tAu cut-off exists for 86,000 ounces of gold (Measured: 171,900 tonnes grading 4.11 g/t Au, Indicated: 204,900 tonnes grading 2.82 g/t Au, Inferred: 596,200 tonnes grading 2.34 g/t Au) aggregated over the Damsel, Moray Reef and Mt Fisher deposits.

Reward Zinc-Lead Project (49% + Farm-out Agreement diluting to 30%)

Rox has signed an Earn-In and Joint Venture Agreement with Teck Australia Pty Ltd. (“Teck”) to explore its highly prospective 670km^2 Myrtle/Reward zinc-lead tenements, located 700km south-east of Darwin, Northern Territory, adjacent to the McArthur River zinc-lead mine.

The first deposit explored, Myrtle, has a current JORC 2004 zinc-lead Mineral Resource (ASX:RXL 15 March 2010) of **43.6 Mt @ 5.04% Zn+Pb** reported at a 3.0% Zn+Pb cut-off (Indicated: 5.8 Mt @ 3.56% Zn, 0.90% Pb; Inferred: 37.8 Mt @ 4.17% Zn, 0.95% Pb).

Drilling at the Teena zinc-lead prospect includes intersections of **38.8m @ 16.9% Zn+Pb, 26.4m @ 13.3% Zn+Pb,** and **20.1m @ 15.0% Zn+Pb**, and together with historic drilling has defined significant new high grade zinc-lead mineralisation over a strike length of at least 1.9km (ASX:RXL 5 August 2013, 26 August 2013, 18 September 2013, 11 October 2013, 27 October 2014, 10 November 2014, 15 December 2014, 29 September 2015, 9 November 2015, 17 November 2015, 17 December 2015). Teena is the most significant new discovery of zinc in Australia since Century in 1990.

Under the terms of the Agreement, Teck has earned a 51% interest, with Rox holding the remaining 49%. Teck has elected to earn a further 19% (for 70% in total) by spending an additional A$10m by 31 August 2018 (ASX:RXL 21 August 2013).

Bonya Copper Project (51% + Farm-in Agreement to earn up to 70%)

Rox (51%) is exploring the Bonya Copper Project located 350km east of Alice Springs, Northern Territory, in joint venture with Arafura Resources Limited (49%) (ASX:ARU). Outcrops of visible copper grading up to 34% Cu and 27 g/t Ag are present, with the style of mineralisation similar to the adjacent Jervois copper deposits (see ASX:KGL). Drill testing has intersected visible copper mineralisation at three prospects, with massive copper sulphides intersected at the Bonya Mine prospect, including **38m @ 4.4% Cu** and **11m @ 4.4% Cu** (ASX:RXL 20 October 2014, 5 November 2014, 1 December 2014).

Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya after spending $500,000 (ASX:RXL 16 December 2014). Rox has elected to earn a further 19% (for 70% in total) by spending a further $1 million by 10 December 2016.