

28 APRIL 2017

Quarterly Report

For the period ending 31 March 2017

Highlights

- **Fisher East Nickel Project, WA**
 - o RC drilling commenced to test targets at Cutlass, Sabre North, Mt Tate, Tomahawk, Horatio and Claymore
 - o Diamond drilling at Sabre, Musket and Camelwood scheduled for May
- **Mt Fisher Gold Project, WA**
 - o Aircore drilling program by farm-in partner Doray completed, assays pending
- **Collurabbie Nickel-Copper-PGE-Gold Project, WA**
 - o Aircore drilling planned for 3rd quarter
- **Reward Zinc-Lead Project, NT**
 - o Sale of interest for \$16.0 million cash plus a deferred payment of \$3.75 million
- **Bonya Copper Project, NT**
 - o Project under review
- **New project opportunities being actively reviewed**
- **Cash on hand at end of quarter was \$15.0 million**

INTRODUCTION

Rox Resources Limited (ASX: RXL) ("Rox" or "the Company") is pleased to provide its Quarterly Report for the period ending 31 March 2017.

It has been a productive quarter for Rox, with the sale of the Company's interest in the Reward project being completed for a total of \$19.7 million (\$16.0 million cash now received with a deferred payment of \$3.75 million to be paid within 6 years or completion of a BFS). This has allowed exploration programs at Fisher East and Collurabbie to be planned for the next two quarters.

Farm-in partner, Doray Minerals (ASX:DRM) has been active on the Company's Mt Fisher gold project, completing a 12,000m aircore drilling program.

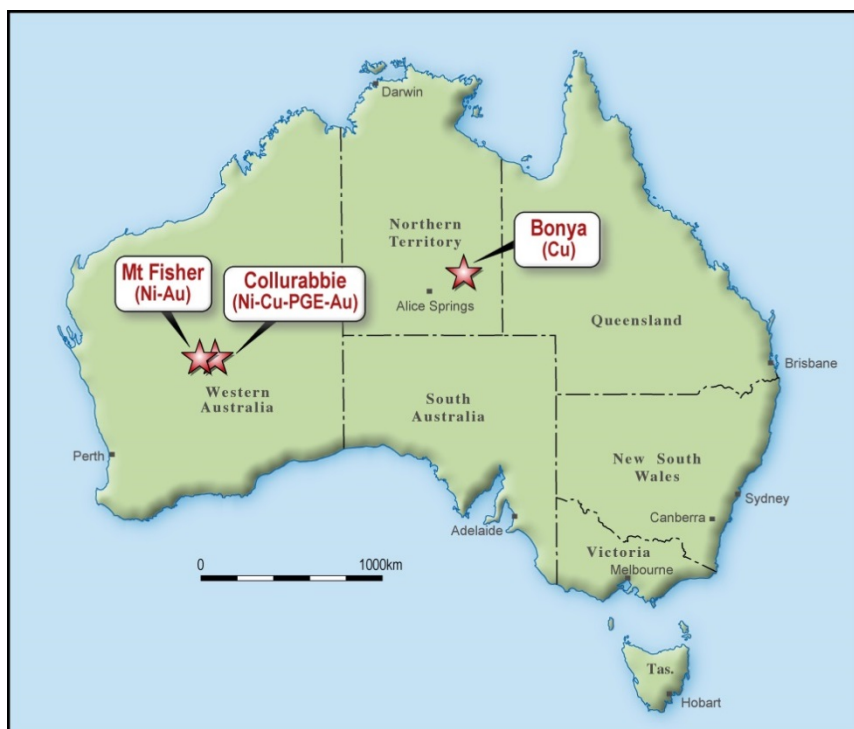


Figure 1: Rox Project Location Map

Fisher East Nickel Project, WA

The planned 1,800m RC program at Fisher East (Figure 2) commenced over the Easter weekend. To date 4 holes have been completed, although drilling has been interrupted by local heavy rain. Assays have not yet been received.

A 3,350m, six hole diamond drilling program, subsidised by WA government EIS funding, is scheduled to commence in May to test massive sulphide targets at Sabre, Musket and Camelwood (Figure 3).

All drilling is expected to be completed by mid-June.



Figure 2: Project Locations

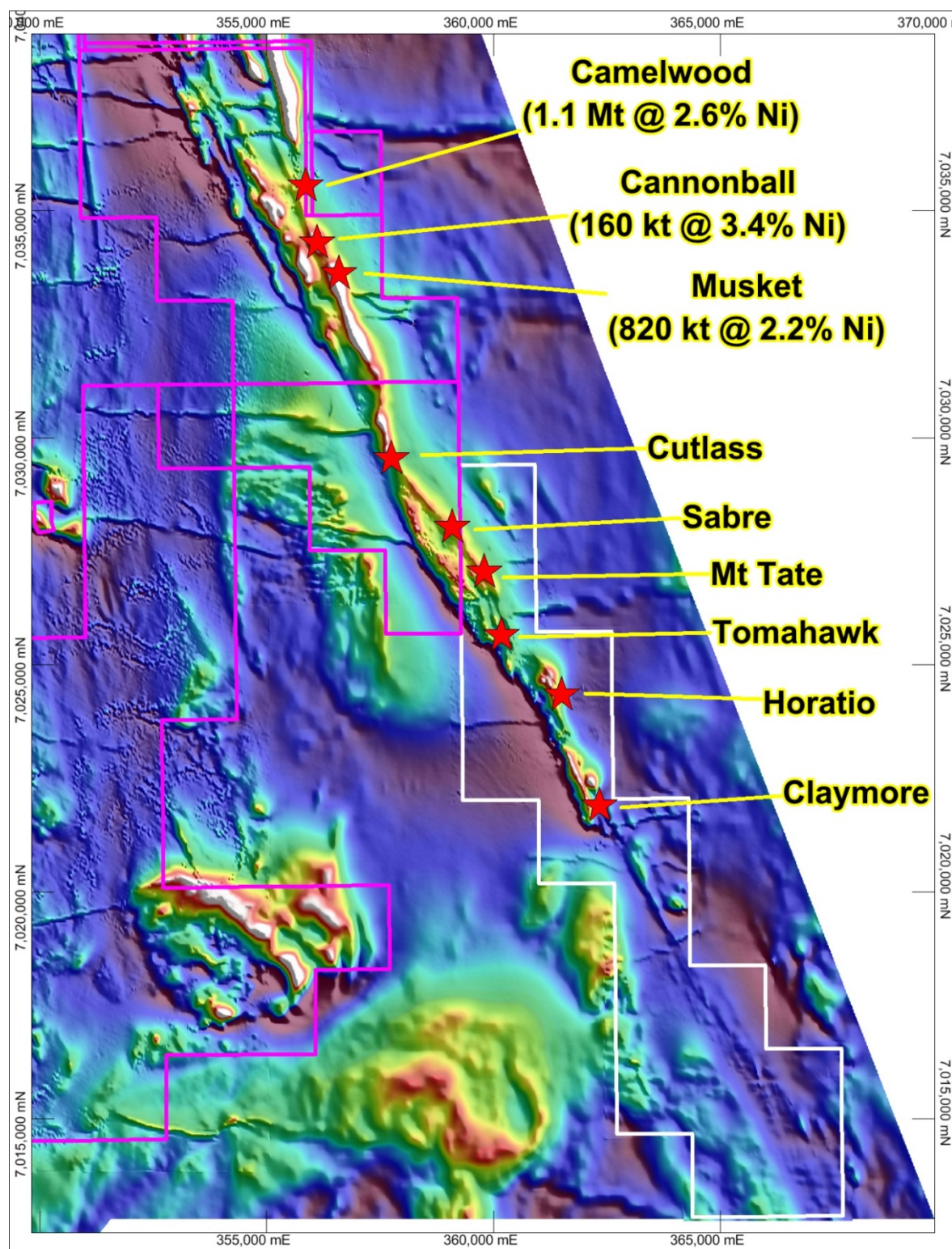


Figure 3: Fisher East Prospect Locations and Mineral Resources (1.5% Ni cut-off, as per ASX:RXL 5 February 2016)

Mt Fisher Gold Project, WA

The aircore drilling program at Mt Fisher (by farm-in partner Doray Minerals) has been completed with 254 holes for 12,052 metres. The program targeted structural positions for gold mineralisation. Assays are expected in 4-6 weeks' time.

A plan of the completed drilling is shown in Figure 4.

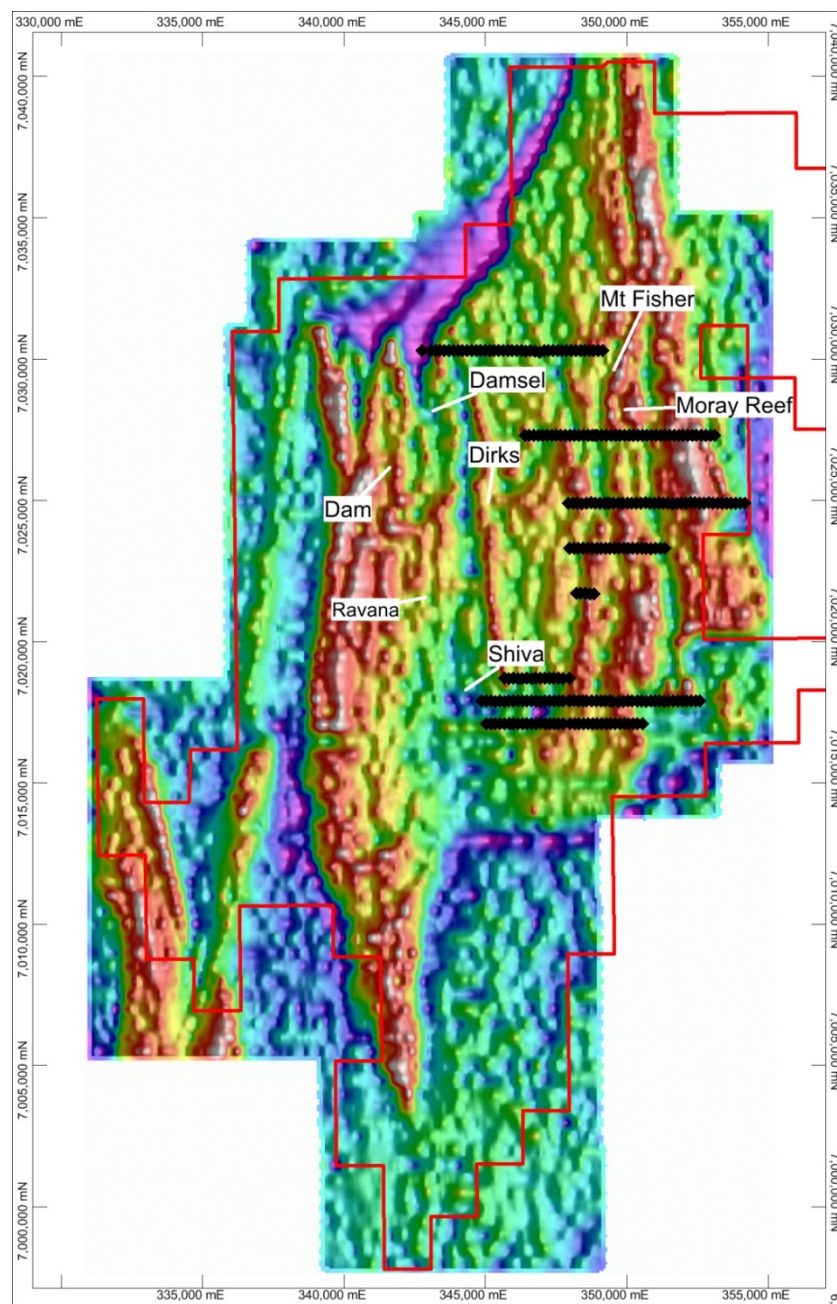


Figure 4: Locations of completed Mt Fisher aircore drill holes (over gravity image)

Collurabbie Nickel-Copper-PGE-Gold Project, WA

The aircore drilling program planned at Collurabbie for June has been delayed pending resolution in the Wardens Court of a plaint against the main tenement, which has delayed completion of this acquisition. The Company is confident of its position with regard to the plaint.

Reward Zinc-Lead Project, NT

The sale of the Company's interest was settled during the quarter, with the Company receiving \$15.97 million in cash. A further deferred payment of \$3.75 million cash is due at the earlier of completion of a bankable feasibility study or 6 years.

As previously advised, the nett proceeds were \$15.2 million (as per attached Appendix 5B) after corporate advisory and legal costs of the sale were deducted (ASX:RXL 19 October 2016).

Pursuant to the legal action commenced by Marindi Metals Ltd ("Marindi") against the Company (ASX:RXL 17 November 2016), discovery documents were exchanged on 12 April 2017.

The next step will be a mediation conference between the parties, required under Supreme Court rules, scheduled for 12 May 2017. The outcome from the mediation conference will determine whether a trial date will be set.

Bonya Copper Project, NT

The Company is reviewing its continued participation in this project. No outcome has been reached as yet.

Corporate

As of 31 March 2017, the company's cash balance was \$15.0 million.

Dated this 28th day of April 2017

Signed on behalf of the Board of Rox Resources Limited



IAN MULHOLLAND
Managing Director

Competent Person Statements:

Resource Statements

The information in this report that relates to nickel Mineral Resources for the Fisher East project was reported to the ASX on 5 February 2016 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 5 February 2016, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 5 February 2016 continue to apply and have not materially changed.

The information in this report that relates to zinc-lead Mineral Resources for the Reward project was reported to the ASX on 15 March 2010 (JORC 2004) and 1 June 2016 (JORC 2012). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 15 March 2010 and 1 June 2016, and that all material assumptions and technical parameters underpinning the estimates in the announcements of 15 March 2010 and 1 June 2016 continue to apply and have not materially changed.

The information in this report that relates to gold Mineral Resources for the Mt Fisher project was reported to the ASX on 10 February 2012 (JORC 2004). Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 10 February 2012, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 10 February 2012 continue to apply and have not materially changed.

General

The information in this report that relates to previous Exploration Results 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 to the date of original announcement to ASX. 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 a number of key assets at various levels of development with exposure to gold, nickel, copper and platinum group elements (PGE's), including the Mt Fisher Gold Project (WA), the Fisher East Nickel Project (WA), the Collurabbie Nickel-Copper-PGE Project (WA), and the Bonya Copper Project (NT).

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

The Mt Fisher 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 several nickel sulphide deposits. The total project area is 675km², consisting of a 600km² area 100% owned by Rox and an Option to purchase 100% of a further 75km² 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.

A joint venture has been signed with Doray Minerals Limited ("Doray") to explore the Mt Fisher gold tenements (ASX:RXL 16 May 2016), with Doray required to spend \$1 million within the first year. Following that Doray can spend \$4 million over a further two years to earn a 51% interest, and increase its interest to 75% by expenditure of a further \$5 million over an additional two years.

Collurabbie Gold-Nickel Project (Acquiring 100%)

The Collurabbie project is located in the highly prospective North Eastern Goldfields region of Western Australia and is prospective for gold and nickel. The project area of 123km² hosts the Olympia nickel sulphide deposit and a number of other prospects for nickel sulphide mineralisation. Drilling results of **5.8m @ 3.00% Ni, 1.96% Cu, 5.3g/t PGE**, have been returned from Olympia. The style of nickel sulphide mineralisation is different to that at Fisher East, with a significant copper and PGE component at Collurabbie, and has been compared to the Raglan nickel deposits in Canada (>1Mt contained nickel).

In addition there is potential for gold mineralisation, with several strong drilling intersections including **2m @ 5.2g/t Au** from the Naxos prospect.

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 the right to earn a further 19% (for 70% in total) by spending a further \$1 million by 10 December 2017.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

ROX RESOURCES LIMITED

ABN

53 107 202 602

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(115)	(417)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(400)	(669)
	(e) administration and corporate costs	(327)	(720)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	20
1.9	Net cash from / (used in) operating activities	(831)	(1,772)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	15,207	15,207
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – deposit on sale of project	(280)	-
2.6	Net cash from / (used in) investing activities	14,927	15,207

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(9 months)
			\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(54)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	946
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	881	596
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(831)	(1,772)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14,927	15,207
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	946
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	14,977	14,977
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter	Previous quarter
		\$A'000	\$A'000
5.1	Bank balances	14,826	731
5.2	Call deposits	151	150
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,977	881

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	321
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes salaries/fees/bonus payments/superannuation to executive and non-executive directors

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

n/a

8. Financing facilities available		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>			
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

n/a

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	966
9.2	Development	-
9.3	Production	-
9.4	Staff costs	124
9.5	Administration and corporate costs	162
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	1,252

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL10316 EL26406 EL27541 EL30042	All Minerals All Minerals All Minerals All Minerals	49% 49% 49% 49%	0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1884 E53/1910	All Minerals All Minerals	0% 0%	100% 100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here



(Director/Company secretary)

Date: 28 April 2017

Print name: Brett Dickson

Annexure 1 – Mining Tenements

Project	Tenement Number	Interest	Interest Held
Mt Fisher, WA	E53/1061 ¹	All Minerals	100%
	E53/1106 ¹	All Minerals	100%
	E53/1218 ²	All Minerals	100%
	E53/1219 ¹	All Minerals	100%
	E53/1250 ¹	All Minerals	100%
	E53/1318	All Minerals	100%
	E53/1319 ¹	All Minerals	100%
	E53/1465 ¹	All Minerals	100%
	E53/1716	All Minerals	100%
	E53/1836 ¹	All Minerals	100%
	E53/1884	All Minerals	100%
	E53/1885	All Minerals	100%
	E53/1886	All Minerals	100%
	E53/1887	All Minerals	Application
	E53/1910 ¹	All Minerals	100%
	E53/1940	All Minerals	Application
	E38/3227	All Minerals	Application
	M53/127	All Minerals	100%
	M53/09*	All Minerals	100%
	P53/1496	All Minerals	100%
	P53/1497 ¹	All Minerals	100%
	P53/1625 ¹	All Minerals	100%
	E53/1788 ^{1, 3}	All Minerals	-
	E53/1802 ³	All Minerals	-
Mt Eureka, WA	E53/1875	All Minerals	100%
	E53/1876	All Minerals	100%
	E53/1877	All Minerals	Application
Collurabbie, WA	E38/3193	All Minerals	Application
	P38/4256	All Minerals	Application
	P38/4264	All Minerals	Application
Bonya, NT	EL29599	All Minerals	100%
	EL29701 ⁴	Cu, Pb, Zn, Au, Ag, Bi, PGE'S	51%

The sale of the Reward project tenements to Teck Australia Pty Ltd was completed during the quarter.

¹ Doray Minerals is earning up to a 75% interest in these tenements

² Doray Minerals is earning up to a 75% interest in the gold rights of this tenement

³ Rox Resources holds an option to acquire 100% of this tenement

⁴ Rox may earn up to a 70% interest in this tenement