

25 January 2018

Quarterly Report

For the period ending 31 December 2017

Highlights

- **Mt Fisher Gold Project, WA**
 - Exceptional results from 117 hole, 7,322 metre, aircore drilling program
 - Results include:
 - 4m @ 6.1 g/t Au from 48m at Dam North
 - 4m @ 3.5 g/t Au from 40m at Dirks
 - 4m @ 2.8 g/t Au from 32m at Damsel
 - 8m @ 2.4 g/t Au from 20m at Damsel
 - New gold anomaly at Dam North confirmed from drilling
 - 800m southerly extension to Damsel gold trend identified as well as 1km southerly extension to Dirks gold trend
 - Further highly-prospective drill targets identified
 - RC and/or diamond drilling being planned
- **Collurabbie Nickel-Copper-PGE-Gold Project, WA**
 - Strong nickel-copper-platinum-palladium and gold anomalies defined in aircore drilling at new prospects over significant strike lengths
 - RC drilling was undertaken to follow-up the strong aircore results with thick disseminated nickel sulphides intersected at Olympia North, including 32m @ 0.48% Ni, 0.28% Cu, 0.03% Co, 0.22g/t Pt, 0.35g/t Pd
 - Excellent potential for further nickel-copper sulphide discoveries over 15km fertile nickel belt
- **Cash on hand at the end of the quarter was \$12.2 million**
 - Strong financial position to facilitate evaluation of new growth opportunities

INTRODUCTION

Rox Resources Limited (ASX: RXL) (“Rox” or “the Company”) is pleased to provide its Quarterly Report for the period ending 31 December 2017. During the quarter, activity was focussed on the Company’s Mt Fisher and Collurabbie Projects in WA (Figure 1).



Figure 1: Rox Project Location Map

Mt Fisher Gold Project, WA

An aircore drilling campaign was completed at Mt Fisher towards the end of the quarter. It comprised approximately 117 holes for 7,322 metres, with the main focus being the Dam, Damsel, Dirks and Shiva prospects (Figure 2). The Company has already identified mineral resources in excess of 86,000 ounces of gold at Mt Fisher and the latest results provide excellent potential for further exploration to add to resources. The gold target areas lie to the west of the Company’s nickel deposits at Fisher East (Figure 1).

Given that the aircore drilling program was designed as a geochemistry tool, to expand areas of known anomalism as well as to refine areas where the drill spacing was still wide, the large number of samples grading over 0.5 g/t Au is very encouraging (ASX:RXL 23 January 2018). Sampling was on four metre (4m) downhole composites, and any composites that exceed 0.5 g/t Au will be re-assayed into 1m samples.

The Company believes the Dam-Damsel-Shiva area has similarities to the 3.6 million-ounce Bronzewing deposits some 75km to the southwest, and is using the extensive knowledge base that was built up in the 1990's and 2000's regarding Bronzewing and the Yandal Belt in its exploration program design.

Dam North

New results, which extend the anomaly up to 300m in strike extent (Figure 3), are:

- 4m @ 0.56 g/t Au from 32m depth in hole MFAC106
- 4m @ 6.1 g/t Au from 48m depth in hole MFAC109
- 8m @ 1.2 g/t Au from 60m depth in hole MFAC108

Dam

Dam is a large coherent geochemical anomaly. One line of aircore was drilled to test 200m north (Figure 3), and was successful in extending the anomaly by a further 200m:

- 4m @ 1.1 g/t Au from 44m depth in hole MFAC121

Damsel

This area hosts the Damsel gold indicated mineral resource of 726,000t @ 2.3 g/t Au for ~55,000 contained ounces of gold (ASX:RXL 10 February 2012). The aircore drilling has extended the anomaly surrounding this resource by 800m to the south (Figure 3), suggesting the possibility of extending and increasing the existing mineral resource.

Highlights of the aircore drilling were:

- 4m @ 1.05 g/t Au from 32m depth in hole MFAC136
- 4m @ 2.75 g/t Au from 32m depth in hole MFAC146
- 4m @ 2.3 g/t Au from 108m depth in hole MFAC151
- 8m @ 2.4 g/t Au from 20m depth in hole MFAC153

Dirks

The Dirks gold trend lies some 1.2km to the east of the Damsel gold trend (Figure 3). At its northern end a previous drill result of 2m @ 13.7 g/t Au from 54m depth was followed up by this drilling program. The best results, which confirm and extend the Dirks gold trend to ~1km in length were:

- 4m @ 2.35 g/t Au from 60m depth in hole MFAC158
- 4m @ 3.5 g/t Au from 40m depth in hole MFAC161

Shiva

The Shiva prospect lies to the south of Dam and Damsel (Figure 2). It lies on a tenement (E53/1788) over which Rox has an option to purchase agreement. This is the first testing that Rox has undertaken at this prospect with the results confirming the continuity of a strong gold anomaly (Figure 4). Best results were:

- 4m @ 1.3 g/t Au from 36m depth in hole MFAC192
- 4m @ 1.1 g/t Au from 48m depth in hole MFAC196
- 4m @ 1.0 g/t Au from 24m depth in hole MFAC202

Next Steps

Composite intervals exceeding 0.5 g/t will be re-assayed on a 1m basis. Following receipt of those results, follow-up RC and/or diamond core drilling will be planned.

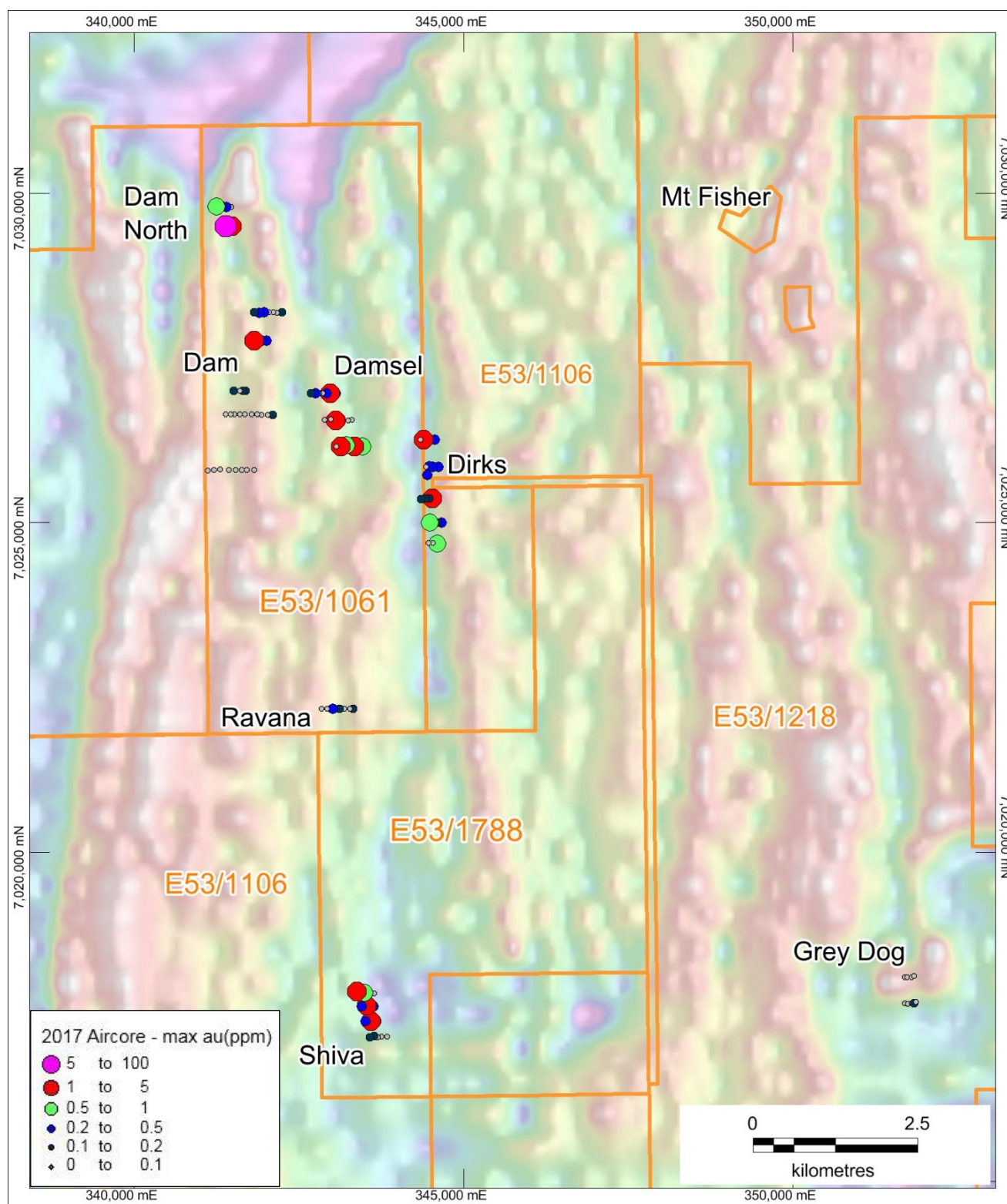


Figure 2: Mt Fisher Aircore Drilling Showing New Results over regional gravity image

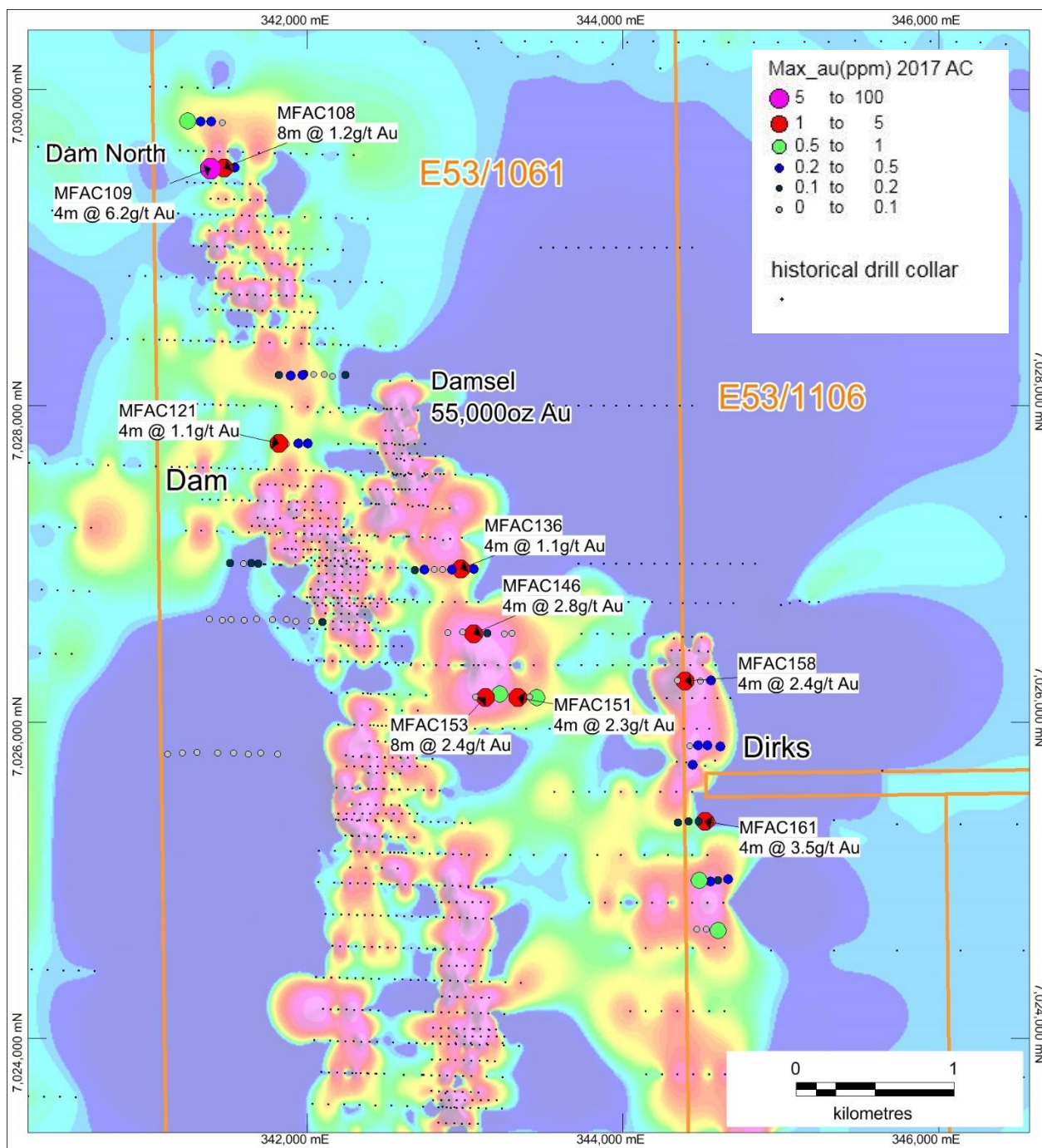


Figure 3: Dam-Dirks Aircore Drilling Results over a contoured image of all aircore/RAB drilling results

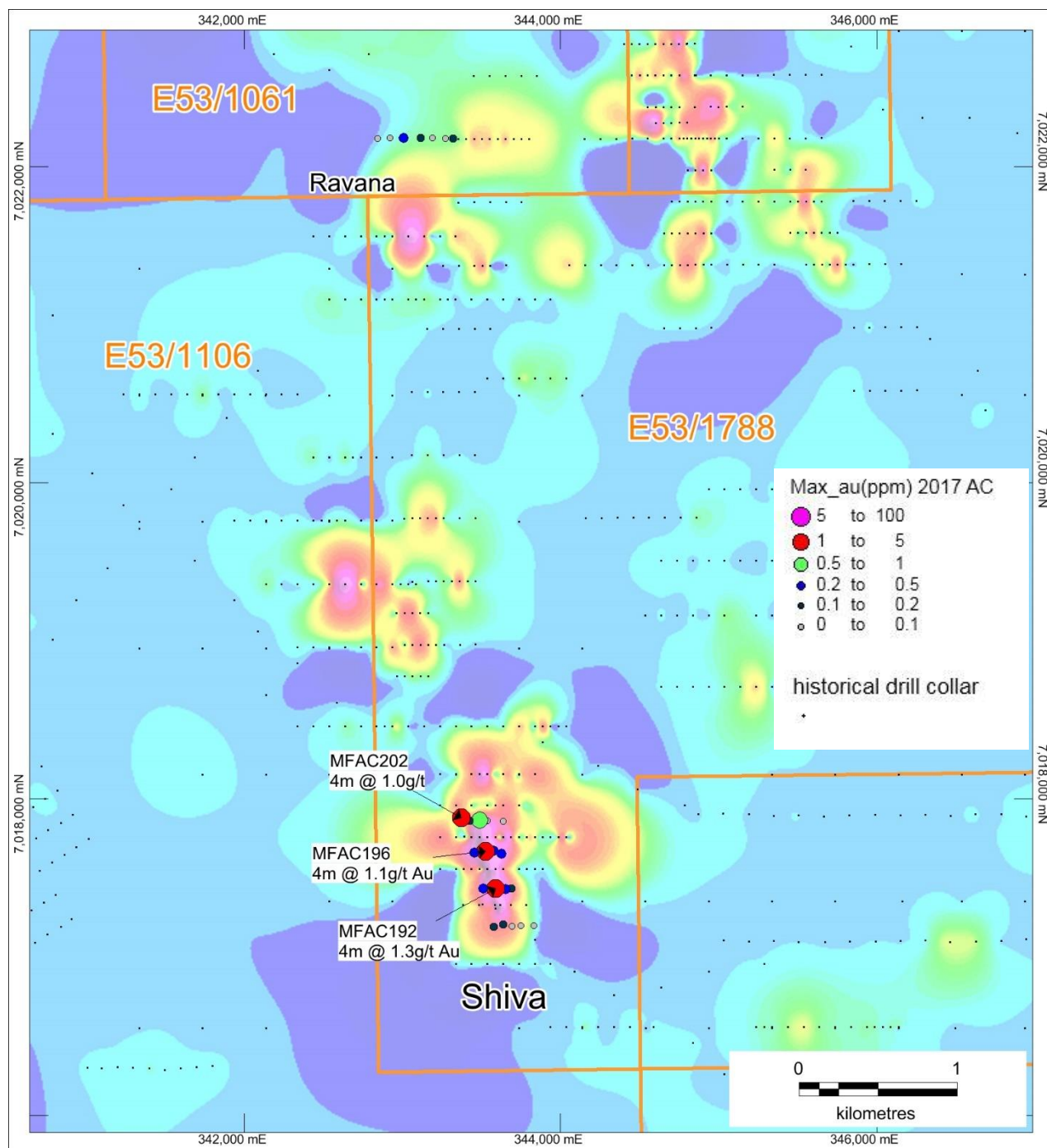


Figure 4: Shiva-Ravana Aircore Drilling Results over a contoured image of all aircore/RAB drilling results

Collurabbie Nickel-Copper-PGE-Gold Project, WA

During the quarter Rox announced strong nickel-copper-PGE anomalies at Collurabbie from the aircore drilling program conducted in the previous quarter (Figure 5).

The drill program comprised 104 holes for 5,427 metres, with standout results from the new Olympia North and Ortus prospects outlined below (ASX:RXL 10 October 2017):

Olympia North

- 24m @ 0.38% Ni, 0.17% Cu, 126ppb Pt, 235ppb Pd from 28m in hole CXAC013,
including 8m @ 0.50% Ni, 0.29% Cu, 228ppb Pt and 317ppb Pd from 36m
- 32m @ 0.60% Ni, 0.36% Cu, 273ppb Pt, 405ppb Pd from 4m in hole CXAC086,
including 20m @ 0.70% Ni, 0.40% Cu, 305ppb Pt, 464ppb Pd from 8m
- 8m @ 0.40% Ni, 0.24% Cu, 175ppb Pt, 247ppb Pd from 40m in hole CXAC090.

Ortus

- 24m @ 0.56% Ni, 0.12% Cu, 178ppb Pt and 212 Pd from 16m in hole CXAC008,
including 12m @ 0.74% Ni, 0.19% Cu, 309ppb Pt and 315ppb Pd from 20m
- 24m @ 0.56% Ni, 0.04% Cu, 78ppb Pt and 84ppb Pd from 16m in hole CXAC046,
(hole did not reach target depth)

In addition, anomalous nickel results were received north of Ortus along the Beta Sill. The results indicate lateritic enrichment above a potential large low-grade disseminated nickel sulphide mineralized body:

- 27m @ 0.45% Ni from 4m in hole CXAC011
- 20m @ 0.39% Ni from 4m in hole CXAC041

Drilling to test gold targets was also undertaken at the Naxos prospect. These holes were following up an historic RC hole, CLD172, that contained 2m @ 2.4g/t Au. A gold anomaly 600m in strike length has now been defined, and further drilling is warranted. All samples are currently 4m composites and will be re-split to 1m intervals for further assay. Selected results were:

- 4m @ 0.15g/t Au from 44m in hole CXAC020
- 4m @ 0.25g/t Au from 44m in hole CXAC031
- 4m @ 0.58g/t Au from 52m in hole CXAC033
- 4m @ 0.21g/t Au from 32m, and 4m @ 0.22g/t Au from 40m in hole CXAC037
- 4m @ 0.22g/t Au from 80m in hole CXAC038

The Company also completed a successful RC drilling program which comprised 4 holes for 558 metres to follow-up the strong nickel-copper-platinum-palladium anomalies defined in the earlier aircore drilling results (ASX:RXL 21 November 2017).

Thick intersections of disseminated nickel sulphides were identified, which included:

32m @ 0.48% Ni, 0.28% Cu, 0.03% Co, 218ppb Pt, 347ppb Pd from 64m in hole CXRC001, and 5m @ 0.63% Ni, 0.30% Cu, 0.03% Co, 239ppb Pt, 422ppb Pd from 76m in hole CXRC003.

The new results confirm the presence of nickel sulphides at Olympia North and that the ultramafic belt there is fertile for nickel sulphide mineralisation. The Company has traced this horizon for over 15km along strike and analysis shows very little previous exploration along it.

The results from Olympia North are located along a 300m strike length over a strong magnetic signature, similar to that at the Olympia deposit where a significant Inferred Mineral Resource of **573,000 tonnes grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt** exists (ASX:RXL 18 August 2017).

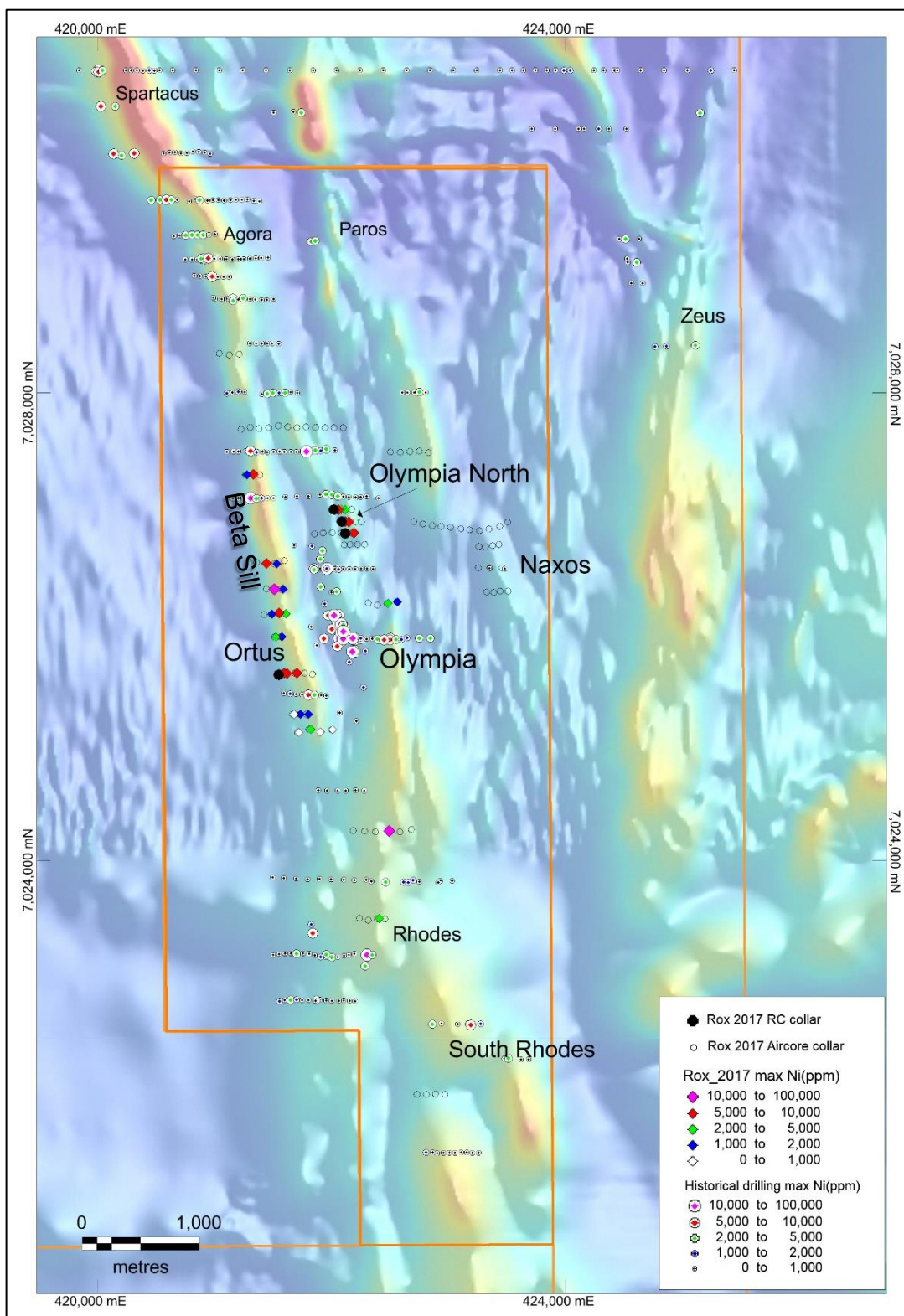


Figure 5: Collurabbie Drilling and Prospect Plan

Fisher East Nickel Project, WA

No significant activity during the quarter.

Bonya Copper Project, NT

No significant activity during the quarter.

Corporate

As of 31 December 2017, the Company's cash balance was \$12.2 million.

Given the strength of its financial position, the Company is continuing to evaluate new growth opportunities to expand its current portfolio of resource projects.

Dated this 25th day of January 2018.

Signed on behalf of the Board of Rox Resources Limited.



IAN MULHOLLAND
Managing Director

Competent Person Statements:

Exploration Results

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.

Resource Statements

The information in this report that relates to nickel Mineral Resources for the Collurabbie project was reported to the ASX on 18 August 2017 (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 18 August 2017, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 18 August 2017 continue to apply and have not materially changed.

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 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.

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 **2.0Mt grading 2.5% Ni** reported at 1.5% Ni cut-off (Indicated Mineral Resource: 1.9Mt grading 2.5% Ni, Inferred Mineral Resource: 0.1Mt grading 2.3% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing **50,600 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.

Collurabbie Gold-Nickel Project (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. A JORC 2012 Inferred Mineral Resource of **573,000t grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt** has been defined at 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 @ 2.4g/t Au** from the Naxos prospect.

Bonya Copper Project (51%)

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, and a joint venture between Rox (51%) and Arafura (49%) is now in operation.

Appendix 5B

Name of entity

ROX RESOURCES LIMITED

ABN

53 107 202 602

Quarter ended ("current quarter")

31-Dec-17

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation	(439)	(766)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(114)	(271)
	(e) administration and corporate costs	(210)	(434)
1.3	Dividends received	-	-
1.4	Interest received	67	87
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - JV Advances	-	-
1.9	Net cash from / (used in) operating activities	(696)	(1,384)
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)	-	-
	(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 (Litigation Settlement)	-	(300)
2.6	Net cash from / (used in) investing activities	-	(300)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
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	-	-

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,895	13,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(696)	(1,384)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(300)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,199	12,199

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 \$A'000	Previous quarter \$A'000
5.1	Bank balances	880	592
5.2	Call deposits	11,319	12,303
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)	12,199	12,895

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
- 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

141

-

Includes salaries, fees and 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

Add notes as necessary for an understanding of the position

**Total facility
amount at
quarter end
\$A'000**

**Amount drawn
at quarter end
\$A'000**

- 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	289
9.2	Development	-
9.3	Production	-
9.4	Staff costs	244
9.5	Administration and corporate costs	116
9.6	Other (provide details if material)	10
9.7	Total estimated cash outflows	659

10	Changes in tenements (items 2.1(b) & 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	E53/1250 E53/1465 E53/1910 P53/1497	All Minerals	100% 100% 100% 100%	0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1950	All Minerals	0%	100%

Refer to Annexure 1 for full list of mining tenements.

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: 
(Company secretary)

Date: 25 January 2018

Print name: Brett Dickson

Annexure 1 - Mining Tenements

Project	Tenement Number	Interest	Interest Held
Mt Fisher, WA	E53/1061	All Minerals	100%
	E53/1106	All Minerals	100%
	E53/1218	All Minerals	100%
	E53/1318	All Minerals	100%
	E53/1319	All Minerals	100%
	E53/1716	All Minerals	100%
	E53/1836	All Minerals	100%
	E53/1884	All Minerals	100%
	E53/1885	All Minerals	100%
	E53/1886	All Minerals	100%
	E53/1887	All Minerals	100%
	E53/1950	All Minerals	100%
	M53/09	All Minerals	100%
	M53/127	All Minerals	100%
	P53/1496	All Minerals	100%
	P53/1625	All Minerals	100%
	E53/1788 ¹	All Minerals	-
	E53/1802 ¹	All Minerals	-
Collurabbie, WA	E38/2009	All Minerals	100%
	E38/2912	All Minerals	100%
	E38/3193	All Minerals	100%
	P38/4256	All Minerals	100%
	P38/4264	All Minerals	100%
Bonya, NT	EL 29599	All Minerals	100%
	EL 29701	Cu, Pb, Zn, Au, Ag, Bi, PGE'S	51%

¹ Rox Resources holds an option to acquire 100% of this tenement