

A large, abstract geometric pattern composed of numerous small, tilted rectangular blocks in various shades of blue and grey, creating a sense of depth and movement across the page.

ANNUAL REPORT

2018

CORPORATE DIRECTORY

Directors:

Mr Stephen Dennis
Non-Executive Chairman

Mr Ian Mulholland
Managing Director

Mr Brett Dickson
Finance Director

Company Secretary:

Mr Brett Dickson

Stock Exchange:

ASX Limited

Company Code:
RXL (Fully Paid Shares)

Issued Capital:

1,258,780,571	Fully paid ordinary shares
21,850,000	2.7 cent, 30 November 2018 options
21,750,000	2.6 cent, 30 November 2019 options
22,250,000	2.4 cent, 30 November 2020 options

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Solicitor:

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Chairman's Review

Dear Shareholder,

I am pleased to be reporting a better outlook for mineral commodities and exploration companies than last year. After what has been a very difficult period for nickel explorers and developers, which saw an unprecedented fall of over 60% in the nickel price from 2014, we have now seen a more than 70% rise in the nickel price over the last year and an accompanying 33% reduction in LME nickel stocks. The Group can now once again pursue its nickel projects with confidence.

Your Group continues to be well placed to take advantage of these improving conditions.

These include Fisher East and Collurabbie where over 91,000 tonnes of contained nickel and nickel equivalent at a total grade of 2.0% nickel and nickel equivalent have been defined in JORC Mineral Resources. Of the junior companies listed on the ASX, Rox is one of a very few with this scale of nickel resource inventory.

To that end, during the year we have conducted several aircore, RC and diamond drilling campaigns at Fisher East and Collurabbie, most notably extending the ore zones at Camelwood and Musket (Fisher East) by more than 150m in depth each, and defining strong zones of anomalous nickel at Collurabbie at several prospects.

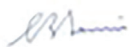
Recently the Group intersected nickel in aircore drilling at Sholl Range, which was an area previously thought to be granite, which is a great accolade for our skilled and talented exploration team.

The Group has made a decision to focus on nickel and, accordingly, during the year decided to divest its non-core Bonya copper project. Additionally, following some strong aircore drilling results, and given the improving IPO market, we decided to create a dedicated gold company with the spin out of the Mt Fisher gold project into a new company, Helios Gold Limited ("Helios"), and list Helios on the ASX. Helios has attracted a strong Board and in preparation for its IPO, subsequent to year end, added a second project to its portfolio at Bronzewing South.

The process to list Helios is well underway and, market conditions being acceptable, we expect to have it completed before the end of 2018. We believe the listing is in the best interests of Rox shareholders as the new company will be well funded and focussed on gold exploration. As part of the listing Rox shareholders will be given priority to invest, which will guarantee you shares in the new company should you wish to subscribe. Rox shareholders will also benefit from the ~30% holding of Helios that Rox will retain.

Rox remains well funded with \$10.4 million in cash as of 30 June 2018 following the sale of our minority interest in the Teena zinc project to Teck Corporation in 2017, and this makes us well placed to pursue both new and existing opportunities within the resources sector.

I would like to thank our small dedicated team at Rox, led by Managing Director, Ian Mulholland. I would also like to thank shareholders for their support during the year. We are excited about the times ahead.



Stephen Dennis
Chairman

Projects

Highlights

Fisher East Nickel Project, WA

- 4 holes for 2,334.5m diamond drilling completed – extended the Camelwood and Musket orebodies each by 150m in depth, including 4.3m @ 2.0% Ni at Musket, and 2.4m @ 2.4% Ni at Camelwood
- 54 holes for 1,600m aircore at Sholl Range – anomalous nickel intersected in an area previously mapped as granite, including 16m @ 0.62% Ni
- Option exercised to purchase tenement including Mt Tate prospect

Collurabbie, WA

- Total of 213 holes for 9,337m – strongly anomalous results at several prospects, including
 - 32m @ 0.60% Ni, 0.36% Cu, 273ppb Pt, 405ppb Pd at Olympia North
 - 24m @ 0.56% Ni, 0.12% Cu, 178ppb Pt and 212 Pd at Ortus
 - 12m @ 0.80% Ni, 0.03% Cu, 0.06% Co at Troy
 - 28m @ 0.48% Ni, 0.00% Cu, 0.03% Co at Zeus
- 4 holes for 558m RC – disseminated nickel sulphides intersected, including 32m @ 0.48% Ni, 0.28% Cu, 0.03% Co, 218ppb Pt, 347ppb Pd at Olympia North

Mt Fisher Gold Project, WA

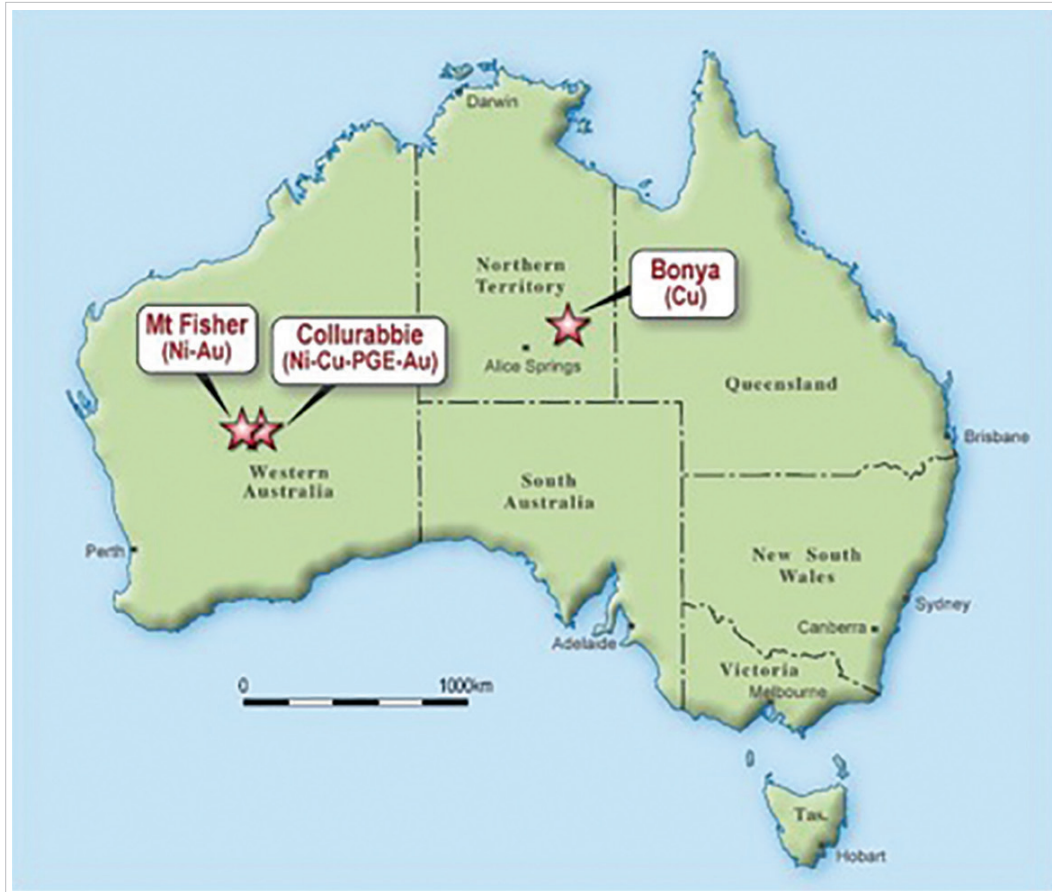
- 117 holes for 7,322m aircore – high gold values at several prospects, including
 - 4m @ 6.1 g/t Au from 48m at Dam North
 - 4m @ 3.5 g/t Au from 40m at Dirks
 - 4m @ 2.8 g/t Au from 32m at Damsel
 - 8m @ 2.4 g/t Au from 20m at Damsel
 - 4m @ 1.3 g/t Au from 36m at Shiva
- New JORC Mineral Resource of 1.0 Mt @ 2.7 g/tAu for 89,000 ounces gold
- Option exercised to purchase tenement including Shiva prospect
- Spin out to Helios Gold Limited announced – Rox to retain ~30% in Helios
- Bronzewing South gold project acquired

Bonya Copper Project, NT

- Agreement reached for sale for \$550,000 in Thor Mining PLC shares

Projects

Project Review



Project Location Map

Fisher East Nickel Project, WA

Two drilling programs were conducted at Fisher East (Figure 1) during the year. The first was a diamond programme designed to test for extensions to known deposits (Figure 3), while the second was a wildcat programme of aircore drilling at the new Sholl Range prospect located some 30km south of the Camelwood-Musket deposits.

During the year, the option to purchase tenement E53/1802 was exercised. The tenement contains the Mt Tate prospect where fresh nickel sulphides have been intersected in aircore drilling. It also contains the Tomahawk, Horatio and Claymore prospects, which are still at an early stage of exploration (Figure 2).

Key drilling highlights include:

- 4.3m @ 2.0% Ni from 701.7m in hole MFED080 at Musket, including 0.3m of massive sulphides grading 8.1% Ni from 701.7m.
- 2.4m @ 2.4% Ni from 718.3m in hole MFED076W1 at Camelwood, including 0.2m of massive sulphides grading 5.2% Ni from 718.9m.
- 0.3m @ 7.5% Ni of massive sulphides from 288.8m in hole MFED081 at Camelwood.

Musket

Hole MFED080, drilled to test a strong downhole EM anomaly, intersected 4.3m @ 2.0% Ni from 701.7m downhole depth, including 0.3m of massive sulphides @ 8.1% Ni from 701.7m. The remainder of the mineralised interval consisted of disseminated and matrix nickel sulphides to 706.0m.

The hole has extended mineralisation by over 170m outside of the current resource, being a better result than the nearest holes (Figure 4), which include MFED059 (1.4m @ 1.4% Ni from 450.4m downhole), MFED064 (0.7m @ 3.6% Ni from 457.5m downhole) and MFED079 (0.5m @ 4.7% Ni from 522.5m downhole).

Project Review

Fisher East Nickel Project, WA (Continued)

Camelwood

Hole MFED076W1 (Figure 5) was a wedge off a previous hole MFED076 and intersected 2.4m @ 2.4% Ni from 718.3 downhole, including 0.2m of massive sulphide @ 5.2% Ni from 718.9m. The remainder of the mineralised interval was blebby and matrix sulphides to 720.7m downhole.

This hole extends the Camelwood mineralisation by over 150m from the existing resource. Nearest drill holes are MFED076 (7.7m @ 1.4% Ni from 693.3m downhole) and MFED036 (1.6m @ 3.7% Ni from 569.0m downhole).

Hole MFED081 (Figure 3) intersected 0.3m of massive sulphide @ 7.5% Ni. This zone is an occlusion in the felsic sediment footwall, being a thin dyke of ultramafic that has intruded the felsic sediment. As such, it is interpreted to be at the margin of the ultramafic unit and therefore would terminate mineralisation further north.

Corktree

Hole MFED082 was drilled to 500.1m downhole at the Corktree prospect 23km south of Musket to test a strong ground EM anomaly. It intersected a 50m interval of semi-massive pyrite-pyrrhotite-magnetite, which explained the EM anomaly, but contained no significant nickel.

Sholl Range

Aircore drilling at Sholl Range was undertaken to follow-up previous geochemical sampling and a gravity survey completed by the Group.

The program was designed to test for prospective ultramafic rocks under shallow cover in an area previously interpreted as granite. Anomalous nickel, copper and cobalt values have been intersected near surface over substantial thicknesses and over at least 800m of strike (Figure 6). Highlights include:

- 17m @ 0.52% Ni, 67ppm Cu, 308ppm Co from 4m depth in hole SRAC036,
- 16m @ 0.62% Ni, 43ppm Cu, 267ppm Co from 16m depth in hole SRAC037, and
- 13m @ 0.45% Ni, 34ppm Cu, 221ppm Co from 8m depth in hole SRAC049.

Fisher East Development Options

The Group continues to remain confident that further resources can be added at Fisher East to grow the current inventory. The Mineral Resource at Fisher East is 4.2 Mt @ 1.9% Ni (at a 1.0% Ni cut-off) for 78,000 tonnes of contained nickel (ASX:RXL 5 February 2016).

Currently a Scoping Study is underway to re-assess the economics of developing the project in the light of a new approach to mining, and the new nickel price environment.

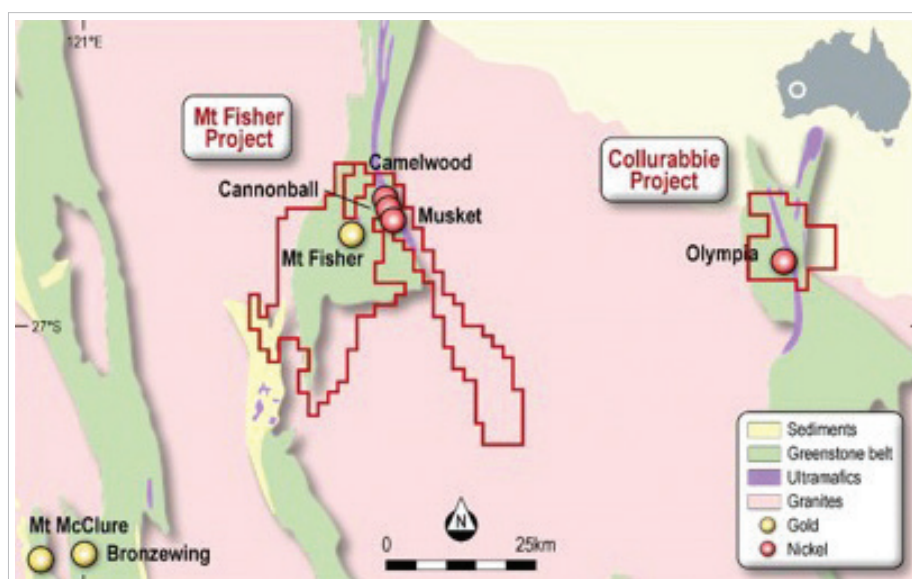


Figure 1: Location Map for Fisher East, Mt Fisher and Collurabbie Projects

Projects

Project Review

Fisher East Nickel Project, WA (Continued)

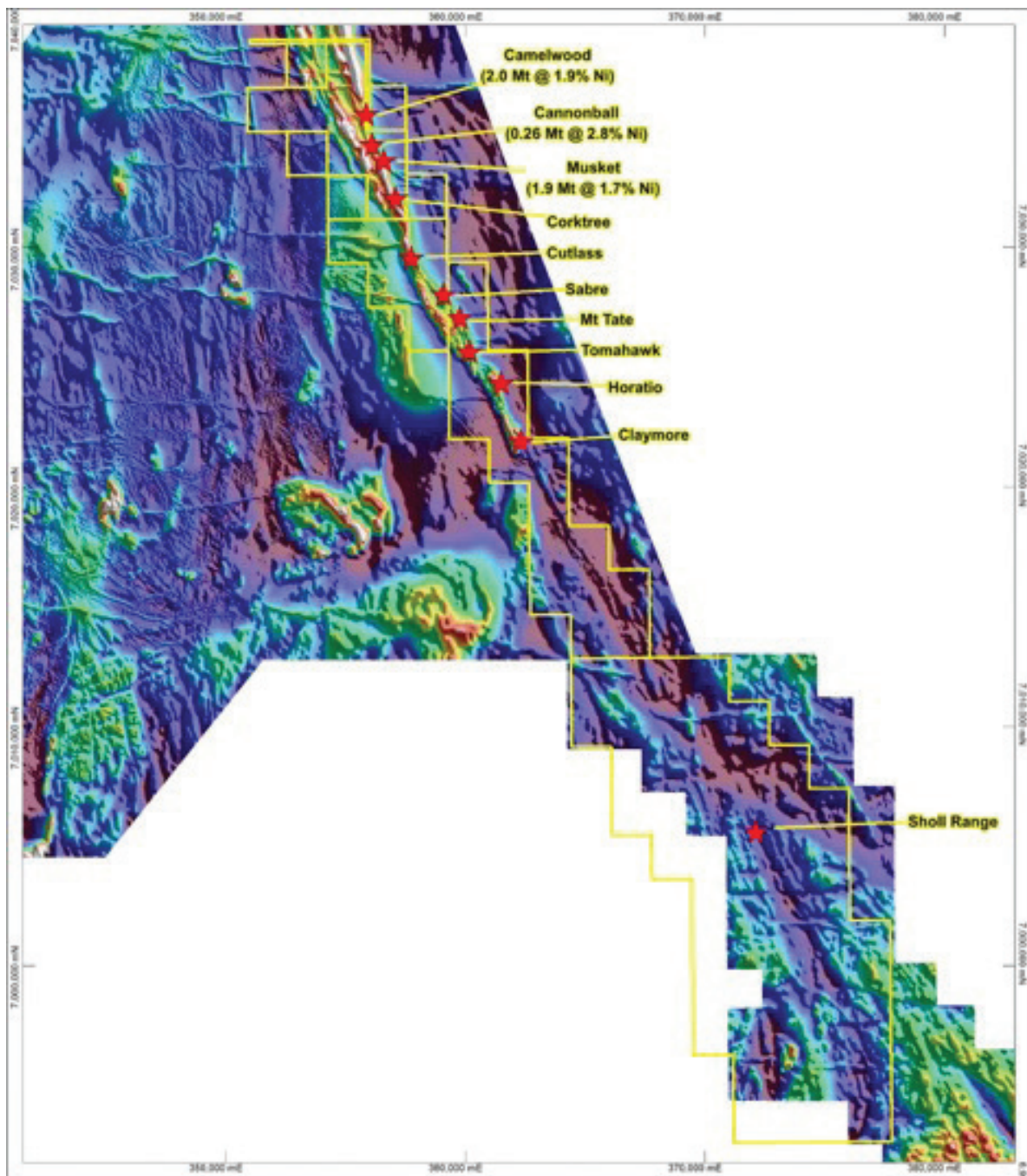


Figure 2: Fisher East showing prospects and Mineral Resources (at 1.0% Ni cut-off)

Project Review

Fisher East Nickel Project, WA (Continued)

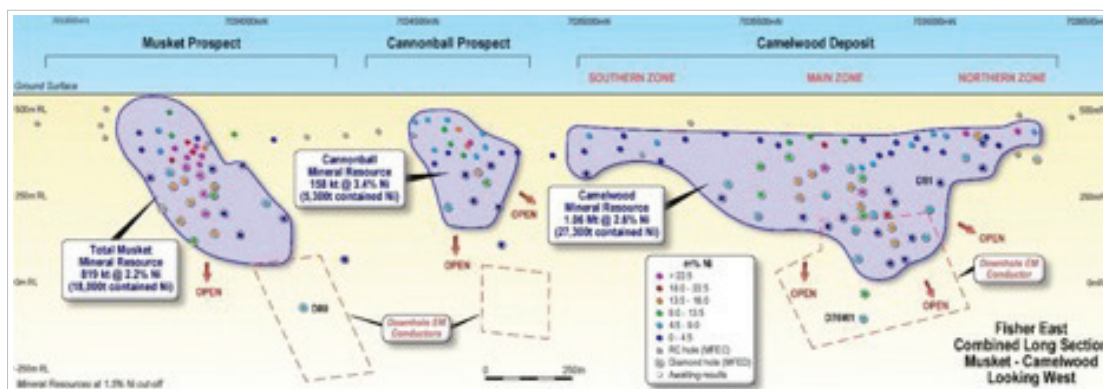


Figure 3: Musket – Camelwood Drill Long Section

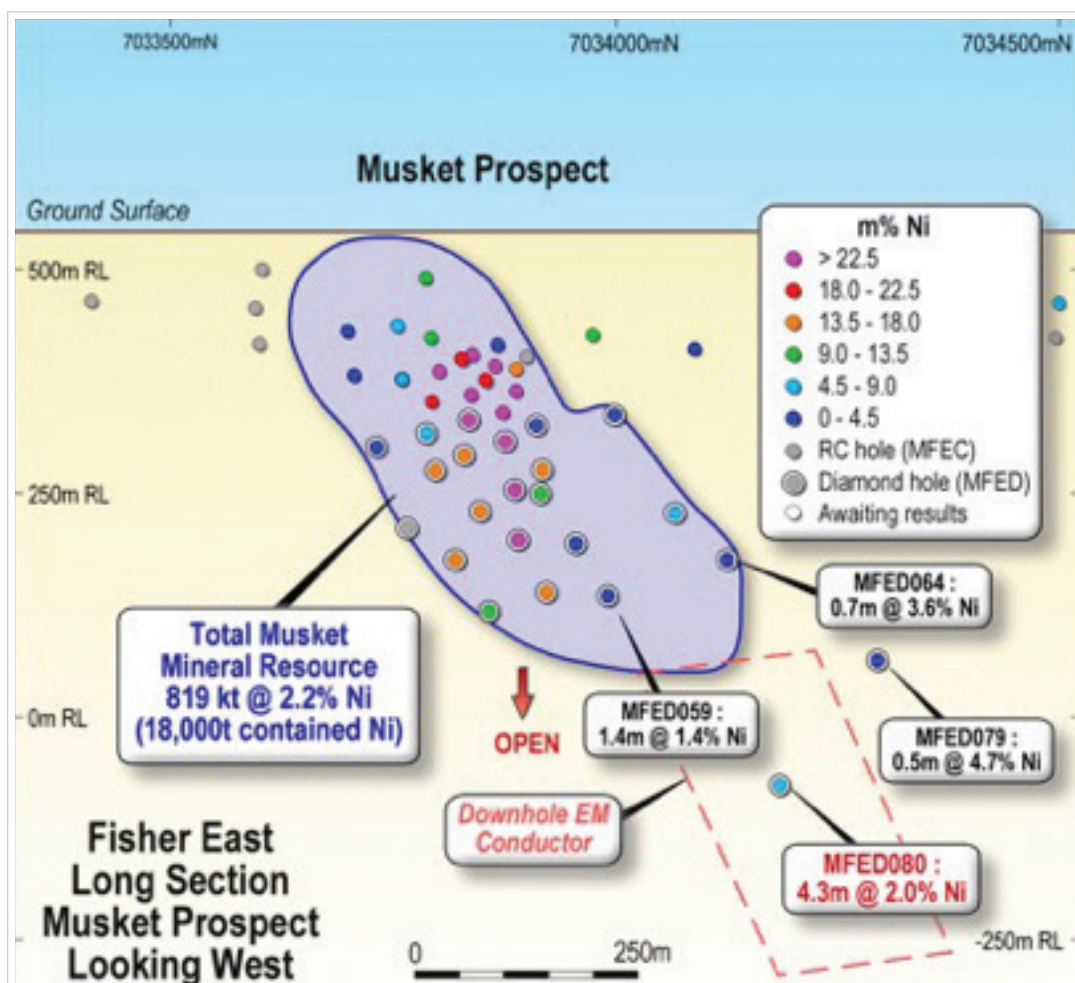


Figure 4: Musket Long Section

Projects

Project Review

Fisher East Nickel Project, WA (Continued)

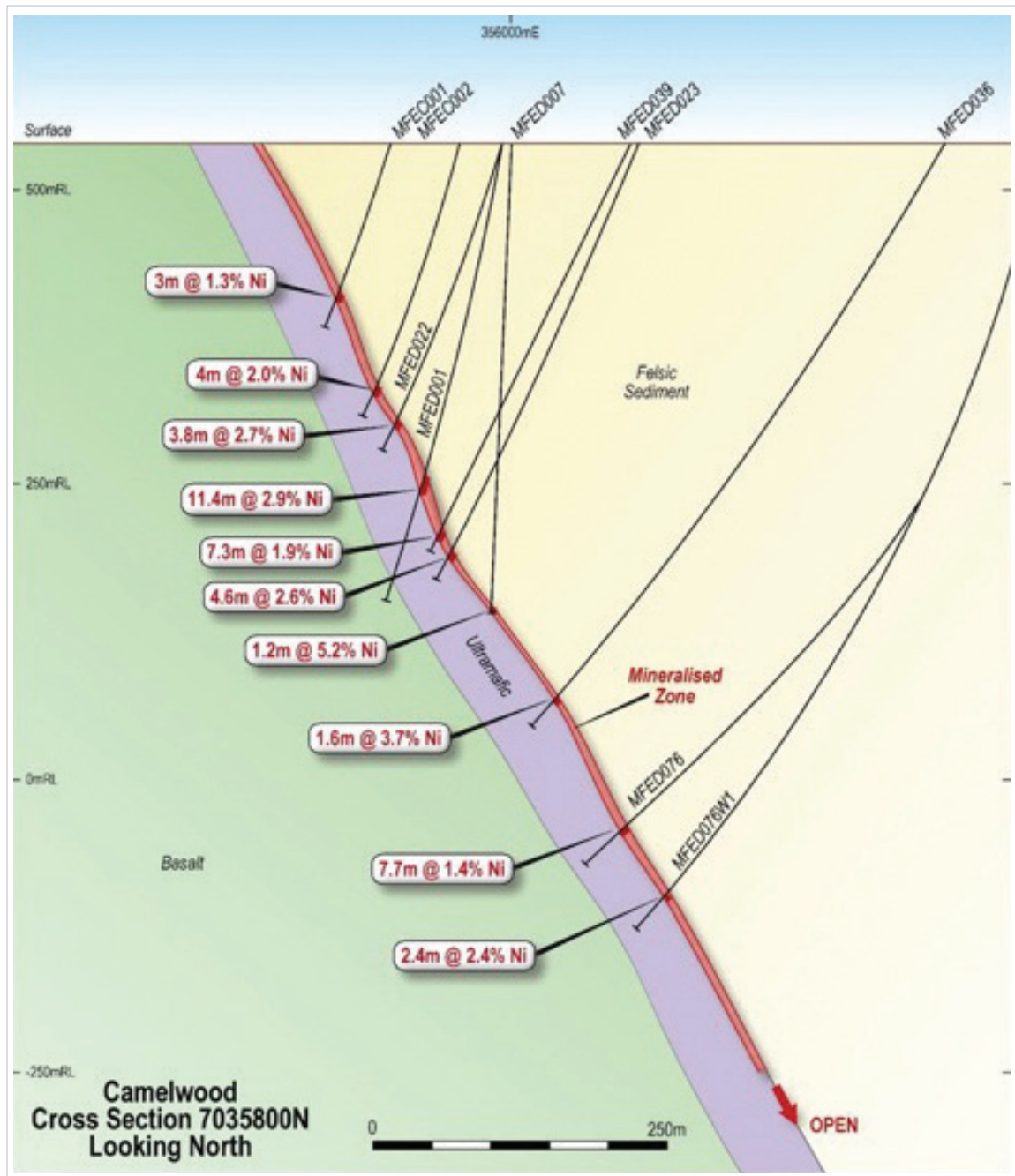


Figure 5: Camelwood Cross Section 7035800N

Project Review

Fisher East Nickel Project, WA (Continued)

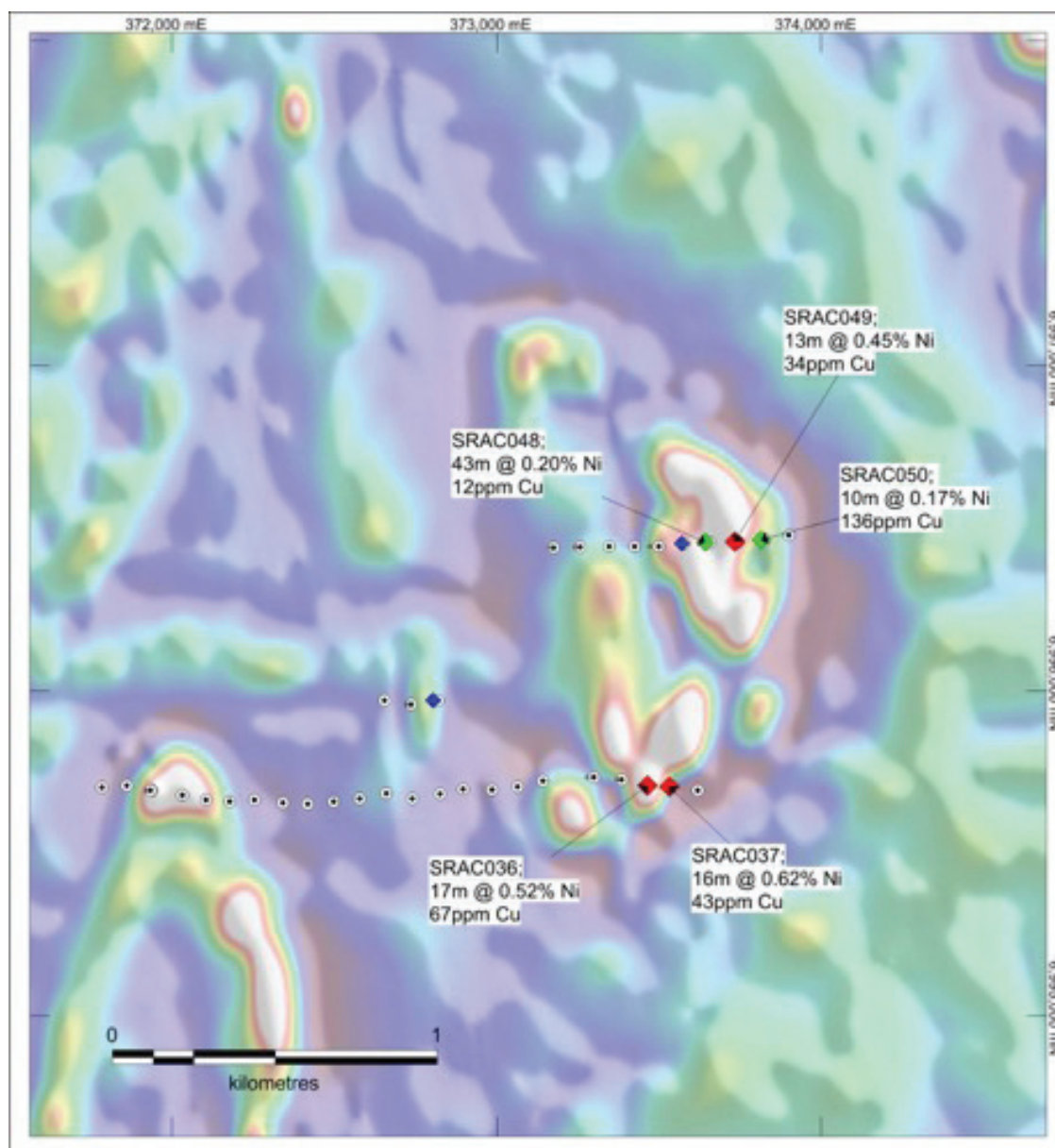


Figure 6: Sholl Range Drill Locations and Results over Magnetics

Projects

Project Review

Collurabbie, WA

During the year the Group undertook three drilling programs at Collurabbie (Figure 7). Two aircore programmes totalled 213 holes for 9,337m (104 holes for 5,427m and 109 holes for 3,910m). In addition, a 4 hole programme of RC drilling was completed for 558m.

Aircore Drilling

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.

The anomalous results from Olympia North are located along a 300m strike length over a strong magnetic signature. The drilling defined a northerly trend along an ultramafic horizon (termed the Olympia horizon), which has been poorly tested by historical drilling and extends to the north for at least 10km, all covered by Rox tenements.

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).

The Ortus prospect appears to lie on a structure running SW-NE through Olympia, where it intersects the north trending ultramafic Beta Sill.

Troy

- 12m @ 0.80% Ni, 0.03% Cu, 0.06% Co from 8m in hole CXAC123
- 24m @ 0.47% Ni, 0.01% Cu, 0.02% Co from 28m in hole CXAC124

The Troy prospect lies along the north trending ultramafic Beta Sill. Previous diamond drilling there intersected 0.6m @ 2.2% Ni, 1.0% Cu in hole CLD053. Follow-up drilling is planned for the next quarter.

Zeus South

- 28m @ 0.48% Ni, 0.00% Cu, 0.03% Co from 8m in hole CXAC187
- 20m @ 0.33% Ni, 0.00% Cu, 0.02% Co from 8m in hole CXAC186

Weathering at Collurabbie is at least 80-100m deep, so the Group considers these results, from as shallow as 4m depth, as being very significant.

RC Drilling

Follow-up of some of the aircore results was undertaken by RC drilling during the year. The initial RC drilling program comprised 4 holes for 558m. At Olympia North, thick intersections of disseminated nickel sulphides were intersected, including:

- 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 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). Further exploration along the 15km strike length at Collurabbie is a high priority.

Project Review

Collurabbie, WA (Continued)

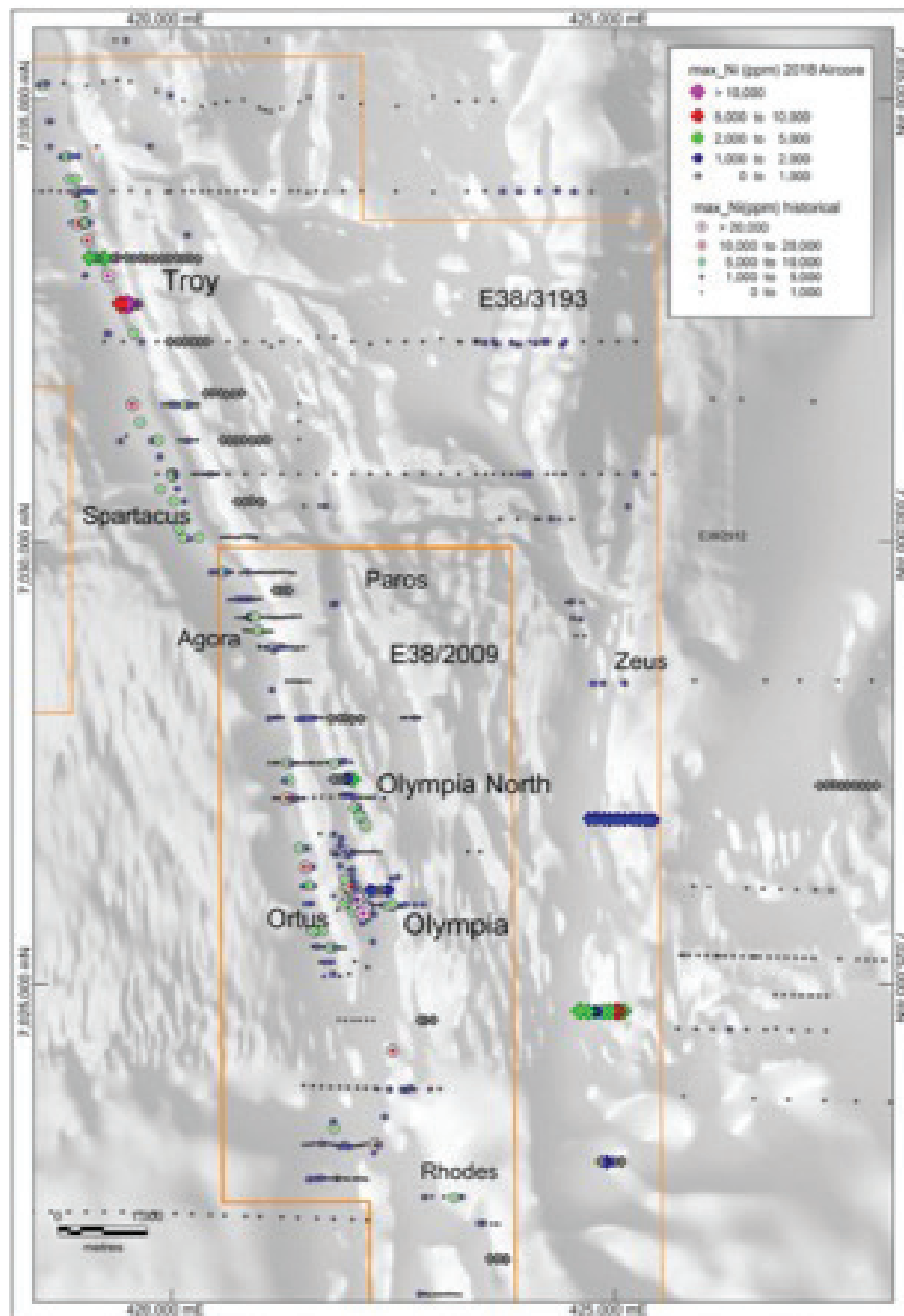


Figure 7: Collurabbie Drilling and Prospect Plan

Projects

Project Review

Mt Fisher Gold Project, WA

During the year the Group carried out an aircore drilling programme at Mt Fisher (Figure 8). The results were outstanding, with many intersections over 1 g/tAu. These included:

- 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
- 4m @ 1.3 g/t Au from 36m at Shiva
- 4m @ 1.1 g/t Au from 44m at Dam

At Dam North the results extended the anomaly there up to 300m in strike extent, while at Dam the one line of aircore was successful in extending the anomaly by a further 200m to the north (Figure 9).

The Damsel gold deposit contains an mineral resource of 726,000t @ 2.3 g/t Au for ~55,000 contained ounces of gold. The aircore drilling there extended the anomaly surrounding the resource by 800m to the south (Figure 9), suggesting the possibility of extending and increasing the existing mineral resource.

The Dirks gold trend lies some 1.2km to the east of the Damsel gold trend, and continued strong results were obtained to support a previous drill result of 2m @ 13.7 g/t Au from 54m depth (Figure 9).

The Shiva prospect lies to the south of the Dam South prospect. It lies on a tenement E53/1788 over which Rox has exercised its option to purchase. This is the first testing that Rox has undertaken at this prospect with the results confirming the continuity of a strong gold anomaly grading > 1 g/tAu over 500m in strike length (Figure 10).

An updated Mineral Resource for Mt Fisher gold of 1.0 Mt grading 2.7 g/tAu for 89,000 contained ounces of gold was estimated using new bulk density acquired recently. Details are provided in the Mineral Resources table that follows.

With these strong results and the stronger market during the year, the Group has decided to spin out the Mt Fisher gold project to a wholly owned subsidiary company, Helios Gold Limited ("Helios") and list this company on the ASX. To assist the success of the IPO, the Bronzewing South project is being acquired (ASX:RXL 8 August 2018).

The planned IPO has attracted a strong Board of Directors. A priority pool will be available for Rox shareholders to subscribe, and Rox will retain a holding of ~30% of Helios. It is planned to list Helios before the end of the year, however a definitive timetable for the IPO is yet to be advised.

Project Review

Mt Fisher Gold Project, WA (Continued)

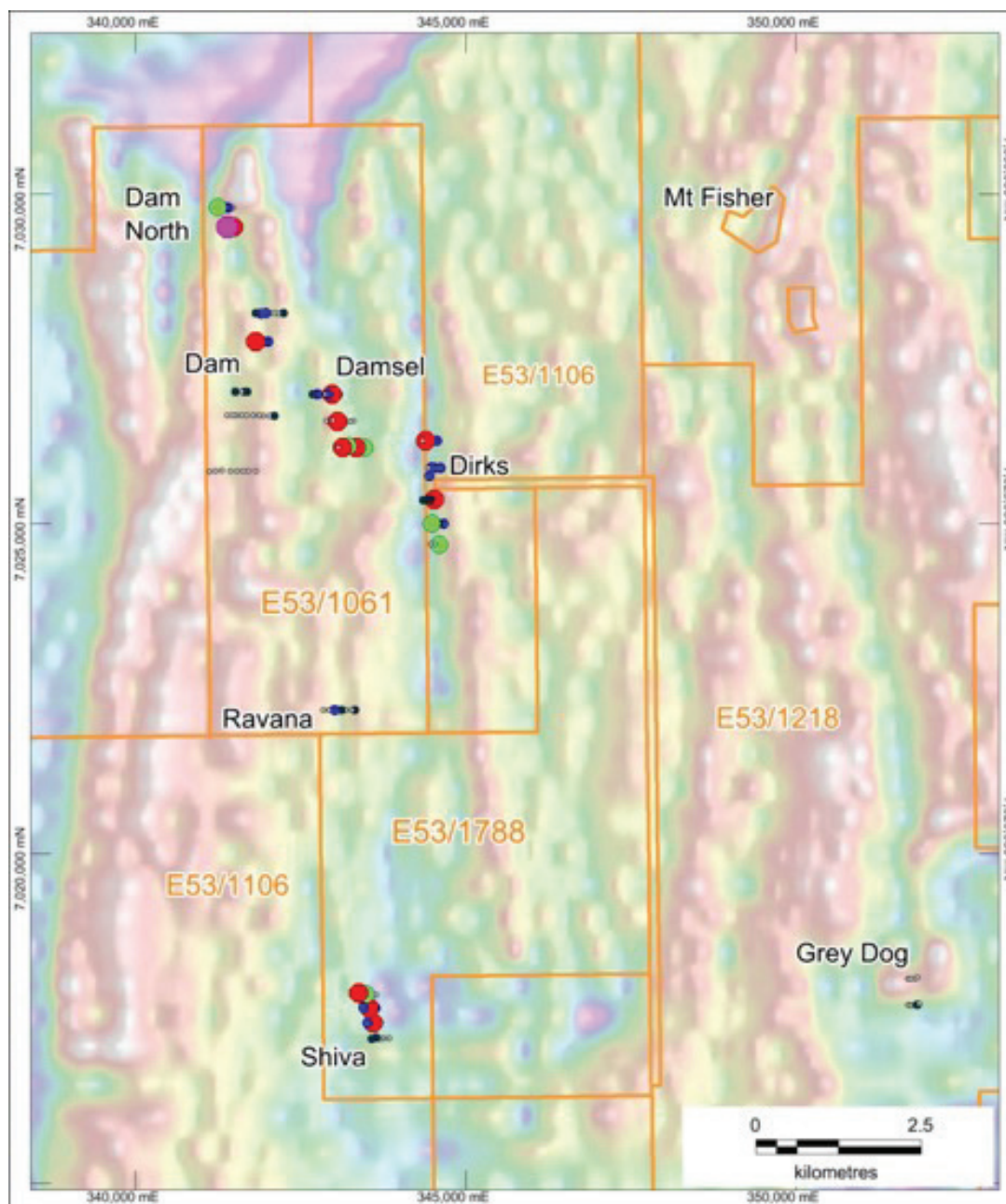


Figure 8: Mt Fisher Aircore Drilling Showing New Results over regional gravity image

Projects

Project Review

Mt Fisher Gold Project, WA (Continued)

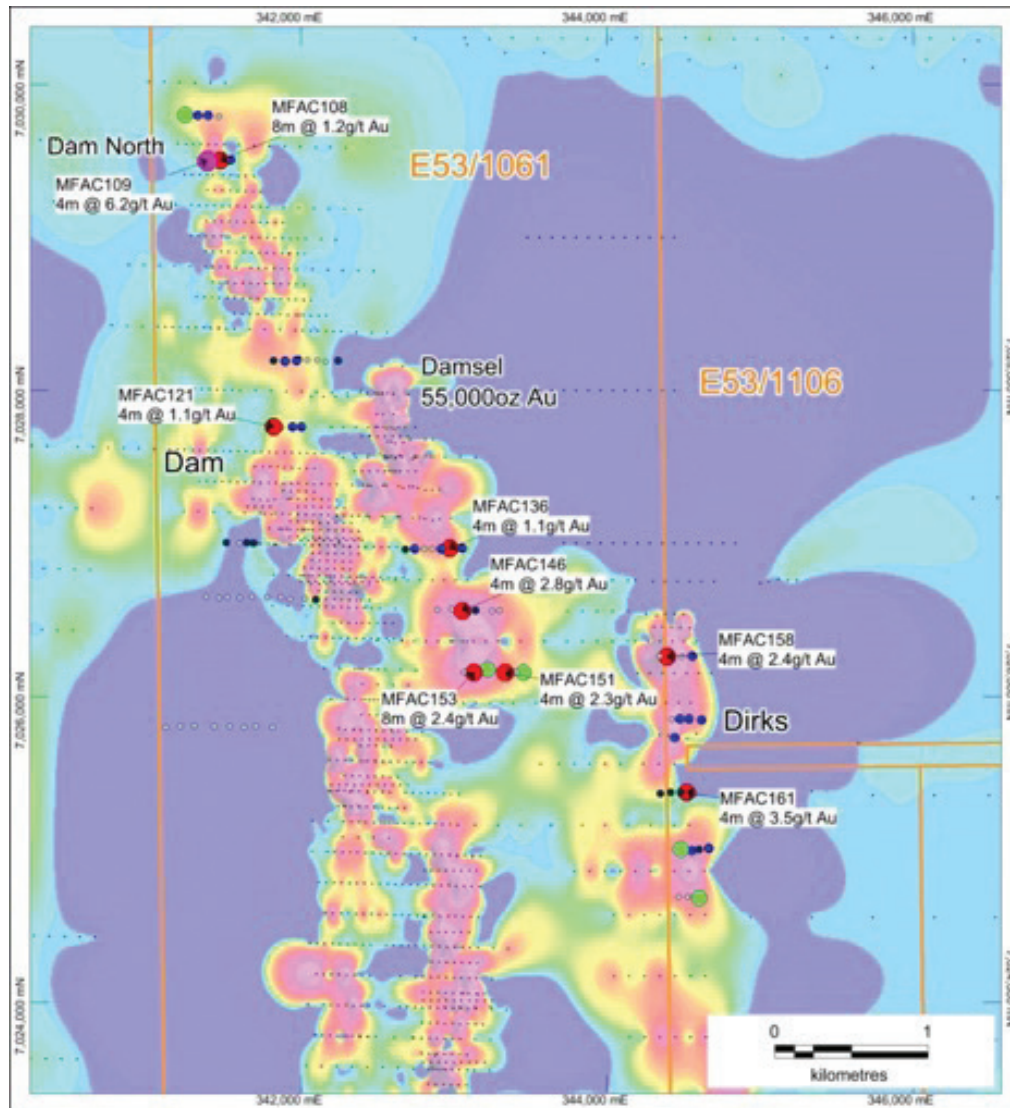


Figure 9: Dam-Dirks Aircore Drilling Results over a contoured image of all aircore/RAB drilling results

Project Review

Mt Fisher Gold Project, WA (Continued)

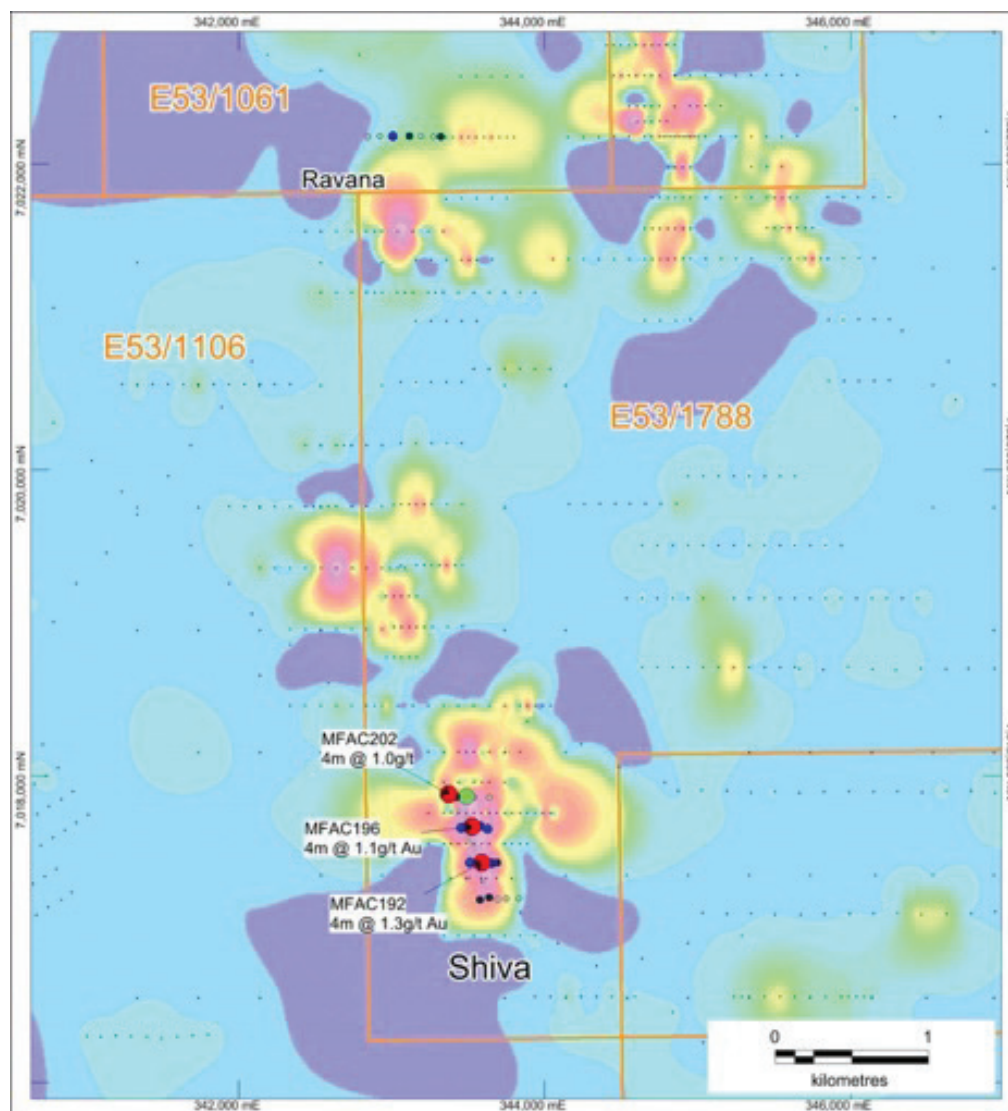


Figure 10: Shiva-Ravana Aircore Drilling Results over a contoured image of all aircore/RAB drilling results

Project Review

Bonya Copper Project, NT

During the year Rox formed a Joint Venture ("JV") on the project with Rox 51% and Arafura Resources Limited 49%. Rox only had an interest in minerals containing Cu, Pb, Zn, Au, Ag, Bi and PGE's. The JV was later re-structured so that Rox had an interest in all minerals, with the respective interests being Rox 40%, Arafura 60%. Subsequently Rox received an offer to purchase it's 40% interest in the JV tenement, plus 100% of an adjoining tenement for \$550,000 in Thor Mining PLC shares, which was accepted. Completion of the sale is expected during October 2018.

Projects

Mineral Resources

Fisher East Nickel, WA (Reported to the ASX on 5 February 2016)

Deposit	Category	Tonnes (Mt)	Grade Ni%	Contained Metal Nickel (Kt)
Camelwood	Indicated	1.7	2.0	34.0
	Inferred	0.3	1.5	5.0
	Total	2.0	1.9	39.0
Cannonball	Indicated	0.24	2.9	7.0
	Inferred	0.02	1.9	0.3
	Total	0.26	2.8	7.3
Musket	Indicated	1.8	1.7	30.0
	Inferred	0.1	1.5	1.6
	Total	1.9	1.7	31.6
Total	Indicated	3.7	1.9	71.0
	Inferred	0.5	1.5	7.0
	Total	4.2	1.9	78.0

Collurabbie Nickel, WA (Reported to the ASX 18 August 2017)

Deposit	Category	Grade Ni%	Grade Ni%	Grade Cu%	Grade Co%	Grade Pd g/t	Grade Pt g/t
Olympia	Inferred	573	1.63	1.19	0.082	1.49	0.85

Project Review

Mt Fisher Gold, WA (Reported to the ASX on 11 July 2018, 0.8 g/tAu cut-off)

Deposit	Category	Tonnes	Uncut		Cut		
			Grade (g/tAu)	Metal (Ozs)	Grade (g/tAu)	Metal (Ozs)	Value (g/tAu)
Damsel	Inferred	591,820	2.29	43,627	2.23	42,339	30
	Indicated	151,464	2.33	11,358	2.27	11,060	30
	Measured	23,712	2.80	2,135	2.59	1,974	30
	Total	766,997	2.32	57,120	2.25	55,373	30
Mt Fisher	Inferred	40,934	3.44	4,528	3.41	4,494	50
	Indicated	59,533	3.63	6,948	3.63	6,948	50
	Measured	125,605	3.73	15,045	3.61	14,569	50
	Total	226,073	3.65	26,521	3.58	26,011	50
Moray Reef	Inferred	1,242	3.87	155	3.87	155	80
	Indicated	4,930	6.09	966	5.95	943	80
	Measured	25,521	10.92	8,960	8.02	6,577	80
	Total	31,693	9.89	10,081	7.53	7,675	80
Total	Inferred	633,997	2.37	48,309	2.31	46,987	
	Indicated	215,928	2.78	19,273	2.73	18,951	
	Measured	174,838	4.65	26,140	4.11	23,121	
	Total	1,024,762	2.84	93,721	2.70	89,059	

Figures in all tables may not add up exactly due to rounding.

Mineral Resources Estimation Governance Statement

Governance of Rox's mineral resources is a responsibility of the Executive Management of the Group.

Rox has ensured that its mineral resources estimates are subject to appropriate levels of governance and internal controls. The mineral resources reported for the Fisher East and Collurabbie nickel projects have been estimated by independent external consultants who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimations. Additionally, the Group carries out regular internal peer reviews of processes and contractors engaged. The Mt Fisher gold resource was estimated by Mr Ian Mulholland, the Group's Managing Director. Mr Mulholland is experienced in best practices in modelling and estimation methods.

Rox has reported its Mt Fisher gold mineral resource on an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC code) 2004 Edition.

Rox has reported its Fisher East nickel mineral resource on an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC code) 2012 Edition.

Rox has reported its Collurabbie nickel mineral resource on an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (the JORC code) 2012 Edition.

Competent Persons named by Rox are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and/or of a "Recognised Professional Organisation", as included in a list on the JORC and ASX websites.

Projects

Competent Person 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 11 July 2018 (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 11 July 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 11 July 2018 continue to apply and have not materially changed.

In the case of any Exploration Results and Mineral Resources reported under the 2004 JORC Code, 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.

Information in this report is derived from various ASX announcements as follows:

10 October 2017	Strongly Anomalous Nickel-Copper-PGE in Successful Collurabbie Aircore Drilling
21 November 2017	Nickel Sulphide Mineralisation Hit at Collurabbie
23 January 2018	Exceptional Aircore Drilling Results - New Drill Targets Identified
29 March 2018	Sale of Bonya Tenement Interests
10 May 2018	Rox To Unlock Value of Mt Fisher Gold Project Through IPO
6 June 2018	Strong Nickel Results From Fisher East
3 July 2018	Rox Exercises Option Over Strategic Gold And Nickel Tenements
11 July 2018	Mt Fisher Gold Mineral Resource Update
26 July 2018	Collurabbie Aircore Drilling Results
6 August 2018	Helios Gold Board Announced
8 August 2018	Helios Acquires Bronzewing South Gold Project
27 August 2018	Nickel Exploration Update

Directors' Report

The Directors present their report on the consolidated entity (referred to as the Group) consisting of the Parent entity, Rox Resources Limited (Rox or the Company), and the entity it controlled at the end of, or during, the year ended 30 June 2018 (the reporting period).

Directors

The names and details of the Directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, Qualifications, Experience and Special Responsibilities

Mr Stephen Dennis (Non-Executive Chairman, appointed 1 August 2015) - BCom, BLLB, GDipAppFin(Finsia)

Mr Dennis has been actively involved in the mining industry for over 30 years. He has held senior management roles at MIM Holdings Limited, Minara Resources Limited and Brambles Australia Limited. From 2007 to 2015 Mr Dennis was the CEO and Managing Director of CBH Resources Limited, the Australian subsidiary of Toho Zinc Co Ltd of Japan.

Mr Dennis is currently the Non-Executive Chairman of Heron Resources Limited, Graphex Mining Limited, Lead FX Inc. and EHR Resources Limited, and has not been a director of any other listed company in the last three years (other than CBH Resources Limited).

Mr Ian Mulholland (Managing Director, appointed 27/11/2003) - B.Sc. (Hons), M.Sc. FAusIMM, FAIG, FSEG, MAICD

Mr Mulholland is a geologist with over 30 years broad experience in the exploration and mining industry in a number of commodity groups including gold, silver, copper, lead, zinc, uranium, nickel and kaolin. He has been Managing Director of Rox Resources since its inception, and prior to that he managed activities from grass roots exploration to advanced resource definition, feasibility studies and mining operations for a number of major, medium sized and junior companies including WMC, Esso, Otter Gold, Aurora Gold, Anaconda Nickel, Archaean Gold, Summit Resources and Conquest Mining. His strength is in bringing resources to economic fruition and his experience is particularly appropriate for his role with Rox.

Mr Mulholland has been involved in the Nimbus silver-zinc project, the Mt Martin, Mt Muro, Toka Tindung, Tanami and Mt Carlton gold-silver projects, the Murrin Murrin, Weld Range, Marshall Pool, Lawlers and Cawse nickel projects, the Valhalla and Olympic Dam uranium projects, and the Mt Windsor VMS copper-lead-zinc projects.

Mr Mulholland has a B.Sc. (Hons), Geology from the University of Sydney and a M.Sc. in Exploration and Mining Geology from the James Cook University of North Queensland. He is a Fellow of the AusIMM, the AIG, and the Society of Economic Geologists.

Mr Mulholland has not been a director of any other listed company in the last three years.

Mr Brett Dickson (Executive Company Secretary, appointed director 31/03/2010) - B.Bus, FCPA, FGIA, MAICD

Mr Dickson is experienced in the financial management of companies, principally companies in early stage development of its resource or production, and offers broad financial management skills. He has been Company Secretary and Chief Financial Officer (CFO) for a number of successful resource companies listed on the ASX and in addition to Rox Resources currently also acts as Company Secretary and CFO for Azure Minerals Limited.

Mr Dickson is a director of Oro Verde Limited and has not been a director of any other listed company in the last three years.

Interest in the Share and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of Rox Resources Limited were:

	Ordinary Shares	Unlisted Options
S Dennis	2,200,000	9,000,000
I Mulholland	15,033,103	30,000,000
B Dickson	7,775,000	15,000,000

(Loss)/ Profit Per Share

Basic and Diluted (Loss)/ Profit per share 2018: (0.26) cents 2017: 1.09 cents

Dividends

No amounts have been paid or declared by way of dividend of the Company since the date of incorporation and the Directors do not recommend the payment of any dividend.

Directors' Report

Operating and Financial Review

Rox Resources Limited is a company limited by shares which is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal activity of the Group during the year was mineral exploration.

Results from Operations and Financial Position

During the period the Group has incurred a net loss after tax for the year ended 30 June 2018 of \$3,239,946 (2017 profit: \$13,427,391). The loss includes exploration expenditure charged directly to the statement of comprehensive income of \$1,914,176 (2017: \$1,141,027). Net cash outflows from operating activities were \$3,177,681 (2017: \$2,849,711).

At 30 June 2018 the Group had cash on hand of \$10,378,334 (2017: \$13,883,065) The Directors believe the Group maintains a sound capital structure and is in a good position to progress its projects.

Review of Operations

During the year the Group focussed its exploration activities on the Mt Fisher Project in Western Australia where it continued to have success in its nickel exploration.

For further information on these projects please refer to the Project Review within this Annual Report.

Employees

At 30 June 2018 the Group had five full-time employees and two casual employees (2017: four full-time and two casual employees).

Risk Management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is important for all Board members to be part of this process, and as such the Board has not established a separate risk management committee.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses the Group's vision, mission and strategy statements, designed to meet stakeholders needs and manage business risk; and
- Implementation of Board approved budgets and Board monitoring of progress against those budgets.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

	Directors' Normal Meetings		Directors' Remuneration Meetings	
	No. Eligible	No. Attended	No. Eligible	No. Attended
S Dennis	7	7	1	1
I Mulholland	7	7	1	1
B Dickson	7	7	1	1

Committee Membership

As at the date of this report, the Company does not have separately constituted Audit and Remuneration Committees. The full board acts as those committees under specific charters.

Significant Changes in State of Affairs

During the year the Group reached settlement on its dispute with Marindi Metals Limited ("Marindi"). Pursuant to settlement terms a payment of \$300,000 was made to Marindi by the Group.

Helios Gold Limited was incorporated as a wholly owned subsidiary of Rox.

The Company exercised its option to acquire E53/1788 (Mt Fisher Gold Project) and E53/1802 (Fisher East Nickel Project) for a cost of \$600,000. This transaction was completed after the reporting period.

There were no other significant changes in the state of affairs of the Group during the year.

Matters Subsequent to the End of the Financial Year

Since the end of the financial year the Company completed the acquisition of E53/1788 (Mt Fisher Gold Project) and E53/1802 (Fisher East Nickel Project) for a cost of \$600,000, continued to progress the spin-out of its Mt Fisher gold project through Helios Gold Limited and, through Helios, entered into an option agreement to acquire the Bronzewing South Gold Project.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Environmental Issues

The Group carries out mineral exploration at its various projects which are subject to environmental regulations under both Commonwealth and State legislation. During the financial year there has been no breach of these regulations.

Likely Developments and Expected Results of Operations

The Group will continue to explore its mineral tenements, with particular focus on the Fisher East nickel area and generation of new projects.

Indemnification and Insurance of Directors and Officers

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors and the Company Secretary named in this report.

The Director and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the Directors and officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Share Options

At the reporting date there were 21,850,000 unlisted options exercisable at \$0.027, 21,750,000 unlisted options exercisable at \$0.026 and 22,250,000 unlisted options exercisable at \$0.024. No options were exercised during the year. Refer to note 19 of the Financial Statements for further details on options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires the Company's Auditors to provide the Directors of Rox Resources Limited with an Independence Declaration in relation to the audit of the full-year financial report. This report has been received and is attached to the Directors Report at page 34.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit services provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax compliance services	\$39,096
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Directors' Report

Remuneration Report (Audited)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including all Directors of the Company.

Details of Key Management Personnel

Ian Mulholland	Managing Director (appointed 27 November 2003)
Brett Dickson	Executive Director and Company Secretary (appointed director 31 March 2010)
Stephen Dennis	Non-executive Chairman (appointed 1 August 2015)

There were no changes of KMP after the reporting date and before the date the financial report was authorised for issue.

Remuneration Committee

The full Board acts as the Remuneration Committee and is responsible for determining and reviewing compensation arrangements for the Directors and the Managing Director (MD).

The Board assesses the appropriateness of the nature and amount of remuneration of Directors on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and executives.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives
- Establish appropriate hurdles for variable executive remuneration
- Encouragement for Directors to sacrifice a portion of their fees to acquire shares in the Company at market price

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Director Remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst keeping costs acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was in 2004 when shareholders approved an aggregate remuneration of \$150,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company. The remuneration of Non-Executive Directors for the years ended 30 June 2018 and 30 June 2017 is detailed later in this report.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Company (purchased by the Director on market). It is considered good governance for Directors to have a stake in the Company on whose board he or she sits. In addition long term incentives in the form of options may be awarded to Non-Executive Directors, subject to shareholder approval, in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Remuneration Report (Audited)

Executive Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration the Board considered market conditions and remuneration paid to senior executives of companies similar in nature to Rox Resources Limited.

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
 - short term incentive ("STI"); and
 - long term incentive ("LTI")

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the most highly remunerated Directors is detailed later in this report.

Variable Remuneration – Short Term Incentive ("STI")

Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve those operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure

Actual STI payments granted to executives depend on the extent to which specific targets, set at the beginning of the review period, being a calendar year, are met. The targets consist of a number of Key Performance Indicators (KPI's) covering both financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to exploration success, share price appreciation, risk management and cash flow sustainability. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

The Board has predetermined benchmarks that must be met in order to trigger payments under the STI scheme. On an annual basis, after consideration of performance against KPI's, the Board, acting as a Remuneration Committee, determines the amount, if any, of the STI to be paid to each executive. This process usually occurs in the first quarter of the following calendar year. Payments made are delivered as a cash bonus in the fourth quarter of the fiscal year.

Directors' Report

Remuneration Report (Audited)

STI bonus for 2017 and 2018 financial years

For the calendar year ended 31 December 2018 the following key performance indicators were agreed for executives, with the relative weighting of each shown in brackets.

1. Identify greater than 100,000t of contained nickel at greater than 2% at Fisher East and Collurabbie (35%)
2. (i) Successful "spin out" of Mt Fisher gold asset.
(ii) Identify and implement a strategic transaction for Rox which is value accretive (35%)
3. Ensure adequate safety, board reporting and project management (10%)
4. Engage with market participants to increase performance of the Company to be measured by outperforming the small resources index (XSR) (20%)

The minimum amount payable for 2018 assuming executives fail to meet their KPI's is nil and the maximum amount payable if all KPI's are met is \$129,875, being \$84,500 for Mr Mulholland and \$45,375 for Mr Dickson.

For the calendar year ended 31 December 2017 the following key performance indicators were agreed for executives, with the relative weighting of each shown in brackets.

1. Develop and implement sustainable growth strategies (40%)
2. Conduct exploration with the objective of at least one potentially economic mineral deposit (25%)
3. Ensure adequate safety, board reporting and project management (10%)
4. Increase performance of the Company to be measured by outperforming the small resources index (XSR) (25%)

For the 2017 year the maximum bonus available for Mr Mulholland was \$82,500 and \$41,250 for Mr Dickson. Mr Mulholland was awarded a bonus of \$57,750 (70%) and forfeited \$24,750 (30%) and Mr Dickson was awarded a bonus of \$28,875 (70%) and forfeited \$12,375 (30%).

Variable Remuneration – Long Term Incentive ("LTI")

Objective

The objective of the LTI plan is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth. The Company considers that shareholder wealth is measured by changes to the Company's share price.

Structure

LTI grants to executives are delivered in the form of options.

The options, when issued to executives, will not be exercisable for a price less than the then current market price of the Company's shares. The grant of LTI's is reviewed annually, though LTI's may not be granted each year. Exercise price and performance hurdles, if any, are determined at the time of grant of the LTI.

To date no performance hurdles have been set on options issued to executives other than time based service conditions. The Company believes that as options are issued at not less than the current market price of the Company's shares there is an inherent performance hurdle on those options as the share price of the Company's shares must increase significantly before there is any benefit to the executive.

Employment Contracts

The Managing Director, Mr Mulholland is employed under contract. The current employment contract expires on 31 December 2019, at which time the Company may choose to commence negotiation to enter into a new employment contract with Mr Mulholland. Under the terms of the present contract:

- Mr Mulholland may resign from his position and terminate this contract by giving three months' notice.
- The Company may terminate this employment agreement by providing three months' written notice. If the employment is terminated by the Company the Company will make an additional payment of 12 months' Base Salary, inclusive of any amount of notice paid in lieu upon termination of the Employment. The amount paid will be adjusted if necessary to ensure compliance with section 200F(2) of the Corporations Act.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Managing Director is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options he holds will immediately be forfeited.

The Company Secretary, Mr Dickson is employed under a service contract. The current contract terminates on 31 December 2019, at which time the Company may choose to commence negotiation to enter into a new service contract with Mr Dickson. Under the terms of the present contract:

- Mr Dickson may terminate the contract by giving three months written notice.
- The Company may terminate the service contract agreement by providing three months written notice. On termination on notice by the Company, subject to ASX Listing Rule 10.19 and section 200F(3) of the Corporations Act 2001, will pay Mr Dickson an amount equal to the fixed component of his remuneration for the remainder of the term of the contract.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, Mr Dickson is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options he holds will immediately be forfeited.

Remuneration of Key Management Personnel

		Short Term		Long Term	Post Employment	Share Based Payments	Total	Percentage Performance Related
2018	Salary & Fees \$	Bonus \$	Other ¹ \$	\$	Superannuation \$	Options \$	\$	%
Directors								
S Dennis	92,500	-	-	-	8,787	37,992	139,279	-
I Mulholland	274,080	57,750	-	32,632	25,000	126,641	516,103	11.2
B Dickson	-	28,875	169,950	-	-	63,321	262,146	11.0
Total	366,580	86,625	169,950	32,632	33,787	227,954	917,528	9.4

1. Mr Dickson did not receive any salary or fees during the periods shown. Coolform Investments Pty Ltd, a company in which he is a Director and shareholder, received the fees shown for the provision of accounting and company secretarial services.

		Short Term		Long Term	Post Employment	Share Based Payments	Total	Percentage Performance Related
2017	Salary & Fees \$	Bonus \$	Other ¹ \$	\$	Superannuation \$	Options \$	\$	%
Directors								
S Dennis	70,000	-	-	-	6,650	19,367	96,017	-
I Mulholland	295,000	120,000	-	10,577	35,000	64,556	525,133	22.8
B Dickson	-	60,000	145,200	-	-	32,278	237,478	25.3
Total	365,000	180,000	145,200	10,577	41,650	116,201	858,628	20.9

1. Mr Dickson did not receive any salary or fees during the periods shown. Coolform Investments Pty Ltd, a company in which he is a Director and shareholder, received the fees shown for the provision of accounting and company secretarial services.

Directors' Report

Compensation options: Granted and vested during the year

During the year 18,000,000 options were issued to directors (2017: 18,000,000). 9,000,000 options issued in December 2016 (representing 50% of the number issued) vested during the year and no options were exercised.

	Granted In 2018				Terms and Conditions for Each Grant				Vested 2018	
	Number	Date	Fair value \$	Total fair value	Exercise Price \$	Expiry date	First exercise date	Last exercise date	Number	%
Directors										
S Dennis	3,000,000	15 Dec 17	\$0.008	\$24,000	\$0.024	30 Nov 20	15 Dec 17	30 Nov 20	3,000,000	100%
I Mulholland	10,000,000	15 Dec 17	\$0.008	\$80,000	\$0.024	30 Nov 20	15 Dec 17	30 Nov 20	10,000,000	100%
B Dickson	5,000,000	15 Dec 17	\$0.008	\$40,000	\$0.024	30 Nov 20	15 Dec 17	30 Nov 20	5,000,000	100%
Total	18,000,000			\$144,000					18,000,000	

	Granted In 2017				Terms and Conditions for Each Grant				Vested 2018	
	Number	Date	Fair value \$	Total fair value	Exercise Price \$	Expiry date	First exercise date	Last exercise date	Number	%
Directors										
S Dennis	1,500,000	19 Dec 16	\$0.008	\$12,000	\$0.026	30 Nov 19	1 Dec 17	30 Nov 19	1,500,000	100%
I Mulholland	5,000,000	19 Dec 16	\$0.008	\$40,000	\$0.026	30 Nov 19	1 Dec 17	30 Nov 19	5,000,000	100%
B Dickson	2,500,000	19 Dec 16	\$0.008	\$20,000	\$0.026	30 Nov 19	1 Dec 17	30 Nov 19	2,500,000	100%
Total	9,000,000			\$72,000					9,000,000	

	Granted In 2017				Terms and Conditions for Each Grant				Vested 2018	
	Number	Date	Fair value \$	Total fair value	Exercise Price \$	Expiry date	First exercise date	Last exercise date	Number	%
Directors										
S Dennis	1,500,000	19 Dec 16	\$0.008	\$12,000	\$0.026	30 Nov 19	1 Dec 18	30 Nov 19	-	-
I Mulholland	5,000,000	19 Dec 16	\$0.008	\$40,000	\$0.026	30 Nov 19	1 Dec 18	30 Nov 19	-	-
B Dickson	2,500,000	19 Dec 16	\$0.008	\$20,000	\$0.026	30 Nov 19	1 Dec 18	30 Nov 19	-	-
Total	9,000,000			\$72,000					-	-

For details of options granted and exercised during the 2017 and 2018 years refer to Note 19 of the Financial Statements.

There were no alterations to the terms and conditions of options granted as remuneration since their grant.

The Group's remuneration policy prohibits directors and executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements. To ensure compliance with this policy Directors and executives are required to disclose all dealings in company securities, whether vested or not.

Share holdings of Key Management Personnel

2018	Balance at 1 July 2017	Granted as Remuneration	Purchased	Net Change/ Other	Shares Issued on Exercise of Options	Balance at 30 June 2018
I Mulholland	15,033,103	-	-	-	-	15,033,103
S Dennis	2,200,000	-	-	-	-	2,200,000
B Dickson	7,775,000	-	-	-	-	7,775,000
	25,008,103	-	-	-	-	25,008,103

2017						
I Mulholland	15,033,103	-	-	-	-	15,033,103
S Dennis	2,200,000	-	-	-	-	2,200,000
B Dickson	7,775,000	-	-	-	-	7,775,000
	25,008,103	-	-	-	-	25,008,103

Options holdings of Key Management Personnel

2018	Balance at 1 July 2017	Granted as Remuneration	Options Exercised	Options Expired	Balance at 30 June 2018	Options Vested Not Yet Exercised ¹
S Dennis	6,000,000	3,000,000	-	-	9,000,000	7,500,000
I Mulholland	30,000,000	10,000,000	-	10,000,000	30,000,000	25,000,000
B Dickson	15,000,000	5,000,000	-	5,000,000	15,000,000	12,500,000
	51,000,000	18,000,000	-	15,000,000	54,000,000	45,000,000

¹ All options which have vested are exercisable.

Other Transactions with Key Management personnel

Coolform Investments Pty Ltd, a company in which Mr. Dickson is a Director and shareholder, received fees totalling \$169,950 (2017: \$145,200) for the provision of services. An amount of \$nil (2017: 13,200) is payable at year end.

During the year the Company paid fees totalling \$119,711 (2017: \$ 90,309 including GST) to Azure Minerals Limited, a company of which Mr Dickson is an officer, for the provision of office accommodation. The Company also received fees totalling \$37,093 (2017: \$109,035 including GST) from Azure Minerals Limited being reimbursement for the provision of office staff support. An amount of \$10,950 (2017: \$12,759) is receivable at year end.

Directors' Report

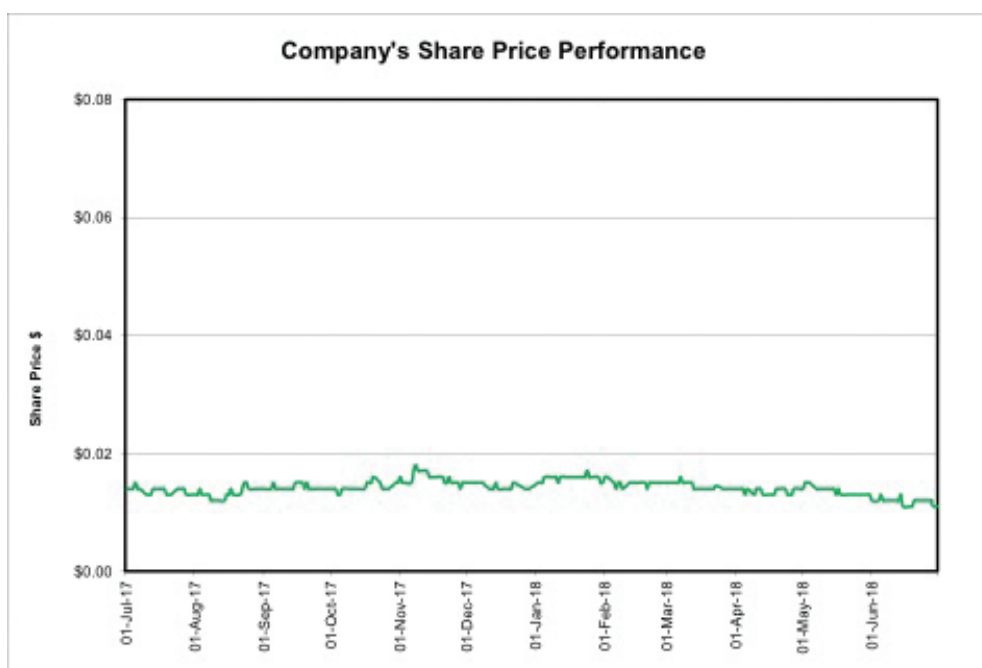
Company's Performance

Company's share price performance

The Company's share price performance shown in the below graph is a reflection of the Company's performance during the year.

The variable components of the executives' remuneration including short-term and long-term incentives are indirectly linked to the Company's share price performance.

The graph below shows the Company's share price performance during the financial year ended 30 June 2018.



Loss per share

Below is information on the Company's (loss)/ profit per share for the previous four financial years and for the current year ended 30 June 2018.

	2018	2017	2016	2015	2014
Basic (loss)/ profit per share (cents)	(0.26)	1.09	(0.22)	(0.75)	(0.90)
Share Price (cents)	1.1	1.4	2.1	1.9	4.0

End of Remuneration Report

Signed in accordance with a resolution of the Directors.

I Mulholland

Managing Director

Perth, 12 September 2018

Auditor's Independence Declaration



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

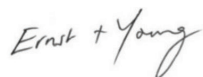
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Auditor's Independence Declaration to the Directors of Rox Resources Limited

As lead auditor for the audit of Rox Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Rox Resources Limited and the entity it controlled during the financial year.



Ernst & Young



T S Hammond
Partner
12 September 2018

Corporate Governance

Corporate Governance Statement

Rox Resources Limited ACN 107 202 602 (Company) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition. The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at:

<http://www.roxresources.com.au/about-rox-resources/corporate-governance/>

Charters

Board

Audit and Risk Committee

Nomination Committee

Remuneration Committee

Policies and Procedures

Policy and Procedure for the Selection and (Re)Appointment of Directors

Process for Performance Evaluations

Securities Trading Policy

Shareholder Communication and Investor Relations Policy

Code of Conduct (summary)

Compliance Procedures (summary)

Procedure for the Selection, Appointment and Rotation of External Auditor

Policy on Continuous Disclosure (summary)

Diversity Policy (summary)

Induction Program

The Company reports below on whether it has followed each of the recommendations during the 2017/2018 financial year (Reporting Period). The information in this statement is current at 12 September 2018. This statement was approved by a resolution of the Board on 12 September 2018.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and have documented this in its Board Charter, which is disclosed on the Company's website.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company provided shareholders with all material information in relation to the re-election of Mr Brett Dickson as a director at its 2017 Annual General Meeting.

Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Managing Director, any of its directors, and any other person or entity who is related party of the Managing Director or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT (CONTINUED)

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter. The Company's Secretary's role is also outlined in the consultancy agreement between the Company Secretary and the Company.

Recommendation 1.5

The Company has a Diversity Policy. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. Nor has the Board set measurable objectives for achieving gender diversity. Given the Company's stage of development as an exploration company and the number of employees, the Board considers that it is not practical to set measurable objectives for achieving gender diversity at this time.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at the date of this statement are set out in the following table. "Senior executive" for these purposes means a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the Company's financial standing. For the Reporting Period, this included the Managing Director and the Finance Director:

	Proportion of women
Whole organisation (including the Board)	1 out of 5 (20%)
Senior executive positions	0 out of 2 (0%)
Board	0 out of 3 (0%)

Recommendation 1.6

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The evaluations are undertaken in accordance with the Company's Process for Performance Evaluations, which is disclosed on the Company's website.

During the Reporting Period an evaluation of the Board, its committees, and individual directors took place in accordance with the process disclosed in the Company's Process for Performance Evaluations.

Recommendation 1.7

The Managing Director is responsible for evaluating the performance of senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations.

During the Reporting Period an evaluation of the Finance Director took place in accordance with the process disclosed in the Company's Process for Performance Evaluations.

The Chair is responsible for evaluating the Managing Director in accordance with the process disclosed in the Company's Process for Performance Evaluations.

During the Reporting Period an evaluation of the Managing Director took place in accordance with the process disclosed in the Company's Process for Performance Evaluations.

Corporate Governance

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee.

Although the Board has not established a separate Nomination Committee, it has adopted a Nomination Committee Charter, which describes the role, composition and responsibilities of the full Board in its capacity as the Nomination Committee. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. Separate meetings of the full Board in its capacity as the Nomination Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Details of director attendance at meetings of the full Board, in its capacity as the Nomination Committee, during the Reporting Period, are set out in a table in the Directors' Report on page 20.

Recommendation 2.2

The mix of skills and diversity for which the Board is looking to achieve in its membership is represented by the Board's current composition. While the Company is at exploration stage, it does not wish to significantly increase the size of the Board and considers that the Board, which includes directors with geological qualifications, exploration and mining industry experience, experience in the development and operation of mining projects in Australia and accounting and finance qualifications, is an appropriate mix of skills and expertise relevant to the Company. The Company continues to assess the feasibility of bringing the Fisher East nickel sulphide project into production. And should the Company move to develop this project, it intends to review its Board size and composition.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations. The sole independent director of the Company is Mr Stephen Dennis, Chairman of the Company.

The length of service of each director is set out in the Directors' Report on page 19.

Recommendation 2.4

During the Reporting Period, the Board did not have a majority of directors who are independent. The Board considered that the composition of the Board was adequate for the Company's size and operations, and included an appropriate mix of skills and expertise relevant to the Company's business.

As noted above, the Company continues to assess the feasibility of bringing the Fisher East nickel sulphide project into production, and should the Company move to develop this project it intends to review its Board size and composition, including the balance of independence on the Board.

Recommendation 2.5

The independent Chair of the Board is Mr Stephen Dennis, who is also not the Managing Director.

Recommendation 2.6

The Company has an induction program that it uses when new directors join the Board and when new senior executives are appointed. The goal of the program is to assist new directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist senior executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's Induction Program is disclosed on the Company's website.

The Board regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the Board considers what training or development should be undertaken to fill those gaps. In particular, the Board ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements. Directors also receive ongoing education on developments in accounting standards.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1

The Company has established a Code of Conduct for its directors, senior executives and employees, which are disclosed on the Company's website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1

The Board has not established a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit and Risk Committee.

Although the Board has not established a separate Audit and Risk Committee, it had adopted an Audit and Risk Committee Charter. When the Board convenes as the Audit and Risk Committee it carries out those functions which are delegated to it in the Company's Audit and Risk Committee Charter. Separate meetings of the full Board in its capacity as the Audit and Risk Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit and Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The Company has also established a Procedure for the Selection, Appointment and Rotation of its External Auditor, which is disclosed on the Company's website. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Details of director attendance at meetings of the full Board, in its capacity as the Audit and Risk Committee, held during the Reporting Period, are set out in a table in the Directors' Report on page 20.

Recommendation 4.2

Before the Board approved the Company financial statements for the half year ended 31 December 2018 and the full-year ended 30 June 2018, it received from the Managing Director and the Finance Director a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively (Declaration).

The Board did not receive a Declaration for each of the quarters ending 30 September 2017, 31 December 2017, 31 March 2018 and 30 June 2018 because in the Board's view its quarterly reports are not financial statements to which the Declaration can be appropriately given.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and must arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company writes to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair allows a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair also allows a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

A representative of the Company's auditor, Ernst & Young attended the Company's annual general meeting held on 23 November 2017.

Corporate Governance

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.roxresources.com.au as set out in its Shareholder Communication and Investor Relations Policy.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's Shareholder Communication and Investor Relations Policy.

Recommendation 6.3

The Company has in place a Shareholder Communication and Investor Relations Policy which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Computershare Investor Services Pty Ltd at www.computershare.com.au

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1

The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. As noted above, the Board performs the role of an Audit and Risk Committee. Please refer to the disclosure above under Recommendation 4.1 in relation to the Audit and Risk Committee.

Recommendation 7.2

The Board reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK (CONTINUED)

Recommendation 7.4

As the Company is not in production, the Company has not identified any material exposure to any environmental and/or social sustainability risks. However, the Company does have a material exposure to the following economic risks:

- Market risk – movements in commodity prices. The Company manages its exposure to market risk by monitoring market conditions, and making decisions based on industry experience.
- Future capital risk – cost and availability of funds to meet the Company's business requirements. The Company manages this risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Board has adopted a Risk Management Policy and Risk Management Procedures. Under the Risk Management Policy, the Board oversees the processes by which risks are managed. This includes defining the Company's risk appetite, monitoring of risk performance and those risks that may have a material impact to the business. Management is responsible for the implementation of the risk management and internal control system to manage the Company's risk and to report to the Board whether those risks are being effectively managed.

The Company's system to manage its material business risks includes the preparation of a risk register by management to identify the Company's material business risks, analyse those risks, evaluate those risks (including assigning a risk owner to each risk) and treat those risks. Risks and their management are to be monitored and reviewed at least annually by senior management. The risk register is to be updated and a report submitted to the Managing Director. The Managing Director is to provide a risk report at least annually to the Board.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1

The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Although the Board has not established a separate Remuneration Committee, it has adopted a Remuneration Committee Charter, which describes the role, composition and responsibilities of the full Board in its capacity as the Remuneration Committee. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. Separate meetings of the full Board in its capacity as the Remuneration Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Details of director attendance at meetings of the full Board, in its capacity as the Remuneration Committee, during the Reporting Period, are set out in a table in the Directors' Report on page 20.

Recommendation 8.2

Details of remuneration, including the Company's policy on remuneration and "clawback policy" regarding the lapsing of performance-based remuneration in the event of fraud or serious misconduct and the clawback of the performance-based remuneration in the event of a material misstatement in the Company's financial statements, are contained in the "Remuneration Report" which forms part of the Directors' Report and commences at page 22 of the Company's Annual Report for year ended 30 June 2018.

Recommendation 8.3

The Company established an Employee Share Option Plan during the Reporting Period. The Company's Securities Trading Policy includes a statement on the Board's policy that participations in the Company's equity based remuneration schemes are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Consolidated Statement of Financial Position

as at 30 June 2018

	Notes	2018 (\$)	2017 (\$)
Assets			
Current Assets			
Cash and cash equivalents	11(a)	10,378,334	13,883,065
Receivables	12	47,988	312,429
Prepayments		3,589	2,850
Other financial assets	14	13,271	17,436
Total Current Assets		10,443,182	14,215,780
Non-Current Assets			
Receivables	12	2,411,371	2,192,156
Equipment	13	37,701	55,691
Capitalised exploration expenditure	15	3,898,887	3,073,887
Total Non-Current Assets		6,347,959	5,321,734
Total Assets		16,791,141	19,537,514
Liabilities			
Current Liabilities			
Trade and other payables	16	860,189	561,474
Provisions	17	95,279	404,910
Total Current Liabilities		955,468	966,384
Total Liabilities		955,468	966,384
Net Assets		15,835,673	18,571,130
Equity			
Contributed equity	18(i)	41,766,933	41,436,933
Reserves	18(ii)	2,658,257	2,483,768
Accumulated losses	20	(28,589,517)	(25,349,571)
Total Equity		15,835,673	18,571,130

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 (\$)	2017 (\$)
Interest income	6A	477,711	242,603
Other income	6B	-	16,862,429
Corporate expenses		(648,557)	(1,312,436)
Occupancy and related expenses		(165,868)	(152,804)
Salaries and wages		(609,441)	(804,960)
Superannuation		(81,596)	(83,163)
Exploration expenditure expensed		(1,914,716)	(1,141,027)
Share based payments to employees		(279,489)	(167,120)
Depreciation		(17,990)	(16,131)
(Loss)/ Profit before income tax		(3,239,946)	13,427,391
Income tax benefit/(expense)	7	-	-
(Loss)/ Profit after income tax		(3,239,946)	13,427,391
Other Comprehensive Income			
Other comprehensive income net of tax		-	-
Total comprehensive (loss)/ income for the year		(3,239,946)	13,427,391

Loss per share for loss for the year attributable to ordinary equity holders:			
Basic (loss)/ profit per share (cents)	8	(0.26)	1.09
Diluted (loss)/ profit per share (cents)		(0.26)	1.09

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 (\$)	2017 (\$)
Cash flows from operating activities			
Interest received		233,822	17,105
Payments to suppliers and employees		(1,416,328)	(1,854,345)
Expenditure on mineral interests		(1,995,175)	(1,012,471)
Net cash used in operating activities	11(b)	(3,177,681)	(2,849,711)
Cash flows from investing activities			
Sale of mineral properties (net of expenses)		-	15,207,273
Settlement of legal dispute in relation to sale of mineral properties		(331,215)	-
Purchase of mineral properties		-	(28,887)
Purchase of equipment		-	(13,722)
Sale of equity investments		-	223
Security deposits		4,165	26,259
Net cash (used in)/ provided by investing activities		(327,050)	15,191,146
Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	1,000,000
Share issue costs		-	(54,130)
Net cash provided by financing activities		-	945,870
Net (decrease)/ increase in cash and cash equivalents		(3,504,731)	13,287,305
Cash and cash equivalents at beginning of period		13,883,065	595,760
Cash and cash equivalents at end of period	11(a)	10,378,334	13,883,065

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2018

	Contributed equity (\$)	Reserves (\$)	Accumulated losses (\$)	Total (\$)
At 1 July 2017	41,436,933	2,483,768	(25,349,571)	18,571,130
Loss for the year	-	-	(3,239,946)	(3,239,946)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(3,239,946)	(3,239,946)
Transactions with owners				
Issue of share capital	225,000	-	-	225,000
Share issue costs	-	-	-	-
Acquisition of Collurabbie Project	105,000	(105,000)	-	-
Share-based payments	-	279,489	-	279,489
Balance as at 30 June 2018	41,766,933	2,658,257	(28,589,517)	15,835,673
At 1 July 2016	40,491,063	2,211,648	(38,776,962)	3,925,749
Profit for the year	-	-	13,427,391	13,427,391
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	13,427,391	13,427,391
Transactions with owners				
Issue of share capital	1,000,000	-	-	1,000,000
Share issue costs	(54,130)	-	-	(54,130)
Acquisition of Collurabbie Project	-	105,000	-	105,000
Share-based payments	-	167,120	-	167,120
Balance as at 30 June 2017	41,436,933	2,483,768	(25,349,571)	18,571,130

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 1. CORPORATE INFORMATION

Rox Resources Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The consolidated financial statements of Rox Resources Limited incorporate Rox Resources Limited (the Parent) as well as its subsidiary (collectively, the Group) as outlined in Note 26. The financial statements of the Group for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 12 September 2018.

The nature of the operations and principal activities of the Company are described in the Directors Report.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

As a result of the uncertainties inherent in business and other activities, certain items in a financial report cannot be measured with precision but can only be estimated. The estimation process involves best estimates based on the latest information available.

(a) Compliance statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period except for the adoption of the new standards and amendments which became mandatory for the first time this reporting period commencing 1 July 2017. The adoption of these standards and amendments did not result in a material adjustment to the amounts or disclosures in the current or prior year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New accounting standards and interpretations (Continued)

The following relevant standards and interpretations have been issued by the Australian Accounting Standards Board (AASB) but are not yet effective for the year ending 30 June 2018:

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9, and relevant amending standards	Financial Instruments	<p>AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement.</p> <p>Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.</p> <p>Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9.</p> <p>The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p> <p>Based on the Group's initial assessment, there will be no significant change from the current measurement of the Group's financial instruments.</p>	1 January 2018	1 July 2018

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New accounting standards and interpretations (Continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).</p> <p>At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>The Company currently does not have any material lease arrangements and therefore does not expect to be impacted by AASB 16.</p>	1 January 2019	1 July 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New accounting standards and interpretations (Continued)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 118 Revenue) and applies to all revenue arising from contracts with customers, unless the contracts are in scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <p>Step 1: Identify the contract(s) with a customer</p> <p>Step 2: Identify the performance obligations in the contract</p> <p>Step 3: Determine the transaction price</p> <p>Step 4: Allocate the transaction price to the performance obligations in the contract</p> <p>Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>The Group does not have any continuing revenue and therefore does not expect to be impacted by AASB 15.</p>	1 January 2018	1 July 2018
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	<p>This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:</p> <p>The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments</p> <p>Share-based payment transactions with a net settlement feature for withholding tax obligations</p> <p>A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.</p> <p>Based on the Group's initial assessment, there will be no significant change from the current measurement of the Group's share-based payment transactions.</p>	1 January 2018	1 July 2018

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidated

The consolidated financial statements comprise the financial statements of Rox Resources Limited and the subsidiary it controls (as outlined in Note 26).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(c) Summary of significant accounting policies

(i) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

(ii) Deferred exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(iii) Trade and other payables

Trade payables and other payables are initially recognised at fair value and are subsequently carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(iv) Issued capital

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Summary of significant accounting policies (Continued)

(v) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint operations, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised;
- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint operations, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(vi) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for impairment. An impairment allowance is recognised when there is objective evidence that the collection of the full amount is no longer probable. Financial difficulties of the debtor are an example of objective evidence. Bad debts are written off when identified.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Summary of significant accounting policies (Continued)

(vii) Equipment

All classes of equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

	2018	2017
Equipment	3-10 years	3-10 years

Impairment

The carrying values of equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying values of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

The recoverable amount of equipment is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Derecognition

Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Profit or Loss in the period the item is derecognised.

(viii) Employee benefits

Provision is made for the employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months of the reporting date are measured at the nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.

(ix) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(x) Leases

Leases are classified at the inception as either operating or finance leases, based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the financial year in which they are incurred.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Summary of significant accounting policies (Continued)

(xi) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(xii) Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average of number ordinary shares and dilutive potential ordinary shares adjusted for any bonus element.

(xiii) Share based payment transactions

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the grant date.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Rox Resources Limited ('market conditions').

The cost of equity-settled transactions is recognised in the Consolidated Statement of Profit or Loss, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance sheet date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 3. FINANCIAL RISK MANAGEMENT AND POLICIES

Overview

This note presents information about the Group's exposure to each of the below risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk exposure arises principally from the Group's receivables, including receivables from related parties, security deposits and cash and cash equivalents.

Cash and cash equivalents

The Group's cash and cash equivalents are maintained in banks with strong credit ratings at year-end.

Trade and other receivables

As the Group operates in the mining exploration sector its receivables generally relate to GST receivable from the Australian Taxation Authority and as it is a statutory body has a very low credit risk.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the balance sheet date there were no significant concentrations of credit risk.

At financial year end the Company has a non-current receivable of \$2,411,371 in present value terms resulting from the sale of the Teena zinc project in 2017 (note 12). This receivable is due from Teck Resources Limited, Canada's largest diversified mineral company and, as such the risk of non payment is very low,

Other financial assets

At financial year end, there is a risk from the Northern Territory Department of Resources not refunding the security deposits.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the Group's maximum credit exposure. None of the Group's trade and other receivables are past due (2017: nil). At 30 June 2018 the Group does not have any collective impairment on its other receivables (2017: nil).

Guarantees

At the date of this report there are no outstanding guarantees (2017: Nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The Group's liquidity risk arises from trade and other payables.

NOTE 3. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group considers that its exposure to currency risk is minimal and has not developed any policies or procedures to manage such risk.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Exposure to currency risk

The Group's exposure to foreign currency risk at reporting date was Nil (2017: Nil).

Interest rate risk

The Group is exposed to interest rate risk. The Group considers that its exposure to interest risk is minimal, however it has a policy of monitoring interest rates offered by competing financial institutions to ensure it is aware of market trends and it receives competitive interest rates.

Profile

At the reporting date the Group's only exposure to interest rate risk is related to the balance of its cash and cash equivalents. The following table represents the Group's exposure to interest rate risk:

	Carrying amount	
	2018 \$	2017 \$
Variable rate instruments		
Cash and cash equivalents	10,378,334	13,883,065

A change of 1% (2017: 1%) in variable interest rates would have increased or decreased the Group's equity and profit by \$103,783 (2017: \$138,830) and would have had the same effect on cash. The 1% sensitivity is based on reasonable possible movements over a financial year, after observation of a range of actual historical rate movement over the past five years.

Capital Management

When managing capital, managements objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The Group will raise equity through the issue of shares from time to time as the board sees fit to ensure it meets its objective of continuing as a going concern. The Group does not have any borrowings and has no current plans to obtain any debt facilities; as a result the Group's total capital is defined as shareholders' equity, and at 30 June stood at:

	2018 \$	2017 \$
Equity	15,835,673	18,571,130

The Company is not subject to any externally imposed capital requirements.

Fair Values

At the end of the current and prior year the net fair value of assets and liabilities approximates their carrying value because of their short term to maturity.

The fair value heirarchies comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Exploration and Evaluation

The Group's accounting policy for exploration and evaluation is set out in Note 2(c) to the accounts. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, management conclude that we are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the Consolidated Statement of Comprehensive Income.

Share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the binominal formula. For options issued in this financial year, the assumptions detailed as per Note 19 were used.

NOTE 5. SEGMENT INFORMATION

Identification of Reportable Segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operates within the mineral exploration industry within Australia.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

NOTE 6A. INTEREST INCOME

	2018 (\$)	2017 (\$)
Interest income	258,496	242,603
Unwind of discount (a)	219,215	-
	477,711	242,603

NOTE 6B. OTHER INCOME

	2018 (\$)	2017 (\$)
Profit on sale of the Reward Project (a)	-	16,862,429

(a) In 2017, the Company sold its interest in the Reward Zinc-Lead Project for \$15,827,273 in cash and a further deferred cash payment of \$3,750,000 to be received at the earlier of the acquirer completing a bankable feasibility study or six years. The deferred cash payment has been discounted to its present value and recognised as a non-current receivable (refer Note 12).

NOTE 7. INCOME TAX INCOME

	2018 (\$)	2017 (\$)
The major components of income tax expenses are:		
Income Statement		
Current Income Tax		
Current income tax charge/(benefit)	-	-
Deferred Income Tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense/(benefit) reported in the statement of comprehensive income	-	-
Accounting (loss)/ profit before tax from continuing operations	(3,239,946)	13,427,391
At the Company's statutory income tax rate of 27.5 % (FY17 27.5%)	(890,985)	3,692,533
Other	45,131	249,335
Share based payments	76,859	45,958
Share registry costs	(63,885)	(85,232)
Prior year adjustment to deferred tax balances	351,385	-
Utilisation of tax losses not previously brought to account (gross)	-	(3,902,594)
Deferred tax assets not brought to account (gross)	481,495	-
Income tax expense/(benefit) reported in the Statement of Comprehensive Income	-	-

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 7. INCOME TAX INCOME (CONTINUED)

	Statement of financial position		Statement of comprehensive income	
	2018 \$	2017 \$	2018 \$	2017 \$
Deferred Income Tax				
Deferred income tax at 30 June relates to the following				
<i>Deferred tax liabilities</i>				
Prepayments	5,051	8,345	(3,294)	3,287
Plant & equipment	(3,705)	(6,117)	2,412	6,401
<i>Deferred tax assets</i>				
Accruals	8,250	17,521	(9,271)	8,521
Provision for employee entitlements	26,202	28,850	(2,648)	5,970
Revenue tax losses	6,386,274	5,904,780	481,494	(3,779,044)
Deferred tax assets not brought to account as realisation is not probable	(6,422,072)	(5,953,379)	(468,693)	3,754,865
Deferred tax assets	-	-	-	-

Potential future income tax benefits attributable to gross tax losses of \$23,222,814 (2017: \$21,471,927) carried forward have not been brought to account at 30 June 2018 because Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the losses and deductions to be released;
- (ii) the Group continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses

Tax losses carried forward have no expiry date.

NOTE 8. EARNINGS PER SHARE

	2018 \$	2017 \$
The following reflects the income and share data used in the calculation of basic and diluted earnings per share		
Net (loss)/ profit	(3,239,946)	13,427,391
Weighted average number of ordinary shares used in calculating basic earnings per share	1,253,027,146	1,231,409,947
Effect of dilutive securities:		
- Share options (i)	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,253,027,146	1,231,409,947

(i) Share options are not dilutive as their exercise price is greater than the average share price of the company over the financial year. There were a total of 65,850,000 share options that were potentially dilutive to shares on issue at 30 June 2018 (2017: 61,100,000). The above weighted average number of shares incorporates an adjustment to the calculation to incorporate the effects of bonus elements (if any) in relation to rights issues in the current and previous financial year.

Conversion, calls, subscriptions or issues after 30 June 2018

There have been no conversions to, calls of, or subscriptions for ordinary shares since the reporting date and before the completion of this financial report.

NOTE 9. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

Stephen Dennis	Non-executive Chairman (appointed 1 August 2015)
Ian Mulholland	Managing Director (appointed 27 November 2003)
Brett Dickson	Executive Director (appointed 31 March 2010) Company Secretary (appointed 27 November 2003)

(b) Compensation of Key Management Personnel by Category

	2018 \$	2017 \$
Short Term	623,155	690,200
Long Term	32,632	10,577
Post-Employment	33,787	41,650
Share-Based Payments	227,954	116,201
	917,528	858,628

NOTE 10. AUDITOR'S REMUNERATION

	2018 \$	2017 \$
Remuneration of the auditor of the Group, Ernst & Young (Australia) for:		
Auditing and reviewing the financial report	46,350	45,320
Taxation services	39,096	16,489
	85,446	61,809

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 11. CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
(a) Cash and cash equivalents	10,378,334	13,883,065
Cash at bank earns interest at floating rates based on daily deposit rates		
(b) Reconciliation of net loss after income tax to net cash flow from operations:		
Net (loss)/ profit after Income Tax	(3,239,946)	13,427,391
Adjustments to reconcile profit before tax to net operating cash flows		
- Depreciation	17,990	16,131
- Share based payments	279,489	167,120
- Profit on sale of Reward project	-	(16,862,429)
- Finance income	(219,215)	-
- Marindi Metals Limited Settlement (included in investing activities)	331,215	149,777
Changes in assets and liabilities		
- (Increase) decrease in prepayments	(739)	329
- Increase (decrease) in provisions	(309,631)	1,836
- Increase (decrease) in trade payables/accruals	(301,285)	416,791
- (Increase) decrease in receivables	264,441	(166,657)
Cash out-flow from operations	(3,177,681)	(2,849,711)

(c) There were no non-cash financing and investing activities in the 2018 or 2017 financial years, other than those detailed in Note 19.

(d) The Company does not have any credit standby arrangements, used or unused loan facilities.

NOTE 12. RECEIVABLES

	2018 \$	2017 \$
Current		
Trade receivables (a)	37,038	299,670
Other related parties (a)	10,950	12,759
	47,988	312,429
Non-Current		
Deferred consideration (b)	2,411,371	2,192,156

(a) Trade receivables, including from related parties, generally have 30 day terms and are unsecured.

(b) In 2017, the company sold the Reward Zinc-Lead Project which included a deferred consideration component of \$3,750,000 to be received at the earlier of the acquirer completing a bankable feasibility study or 6 years. The non-current receivable represents the net present value of that deferred consideration using a discount rate of 10%. The fair value of the receivable approximates its carrying value.

NOTE 13. EQUIPMENT

	2018 \$	2017 \$
Equipment at cost	170,429	170,428
Accumulated depreciation	(132,728)	(114,737)
	37,701	55,691
(a) Movements in plant and equipment		
- At 1 July, net of accumulated depreciation	55,691	58,100
- Additions	-	13,722
- Depreciation	(17,990)	(16,131)
At 30 June, net of accumulated depreciation	37,701	55,691

NOTE 14. OTHER FINANCIAL ASSETS

Current	2018 \$	2017 \$
Security deposits	13,271	17,436

The fair value of the security deposit approximates its carrying value.

NOTE 15. CAPITALISED EXPLORATION AND EVALUATION

	2018 \$	2017 \$
Areas of interest in exploration and evaluation phases:		
Balance at beginning of period	3,073,887	3,327,000
Acquisition	825,000	133,887
Disposal	-	(387,000)
	3,898,887	3,073,887

Includes \$600,000 accrued for the option to acquire E53/1788 (Mt Fisher Gold Project) and E53/1802 (Fisher East Nickel Project) and \$225,000 for the settlement of milestone payments on the Mt Fisher Gold project.

On 8 May 2018, the Group announced the decision of its Board of Directors to vend its Mt Fisher gold project in Western Australia into Helios Gold Limited, a 100% owned subsidiary incorporated during the period, and to list this company on the Australian Stock Exchange. This transaction is not subject to shareholder approval, nor is such approval required to be obtained. Rox will retain an approximate 30% shareholding in Helios upon its listing. At 30 June 2018 the carrying value of the Mt Fisher gold project was \$865,000 (2017: \$640,000).

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 16. TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade payables	230,189	497,762
Accruals (a)	630,000	63,712
Total trade and other payables (b)	860,189	561,474

(a) Accruals

Includes \$600,000 accrued for the option to acquire E53/1788 (Mt Fisher Gold Project) and E53/1802 (Fisher East Nickel Project) which was exercised during June 2018 but completed until after the financial year end.

(b) Terms and Conditions

Creditors, including related parties, are non-interest bearing and generally on 30 day terms.

NOTE 17. PROVISIONS

	2018 \$	2017 \$
Employee benefits – annual leave	31,619	46,560
Employee benefits - long service leave	63,660	58,350
Marindi Metals Limited settlement	-	300,000
	95,279	404,910

NOTE 18. CONTRIBUTED EQUITY AND RESERVES

(i) Contributed Equity

(a) Issued and paid up capital

	2018 \$	2017 \$
Ordinary shares fully paid	41,766,933	41,436,933

(b) Movement in shares on issue

	2018 \$	2017 \$
Issued and paid up capital – Ordinary shares fully paid		
Ordinary shares at beginning of period – 1,236,280,571 (2017:1,180,725,015)	41,436,933	40,491,063
Issue of 55,555,556 shares at \$0.018 per share (net of share issue costs)	-	945,870
Issue of 7,500,000 shares at \$0.014 per share (net of share issue costs) (refer note 19B)	105,000	-
Issue of 15,000,000 shares at \$0.015 per share (net of share issue costs) (refer note 19B)	225,000	-
At reporting date: 1,258,780,571 shares (2017: 1,236,280,571)	41,766,933	41,436,933

NOTE 18. CONTRIBUTED EQUITY AND RESERVES (CONTINUED)

(i) Contributed Equity (Continued)

(c) Share Based Payment Reserve

During the year 22,250,000 options with an exercise price of \$0.024 and an expiry date of 30 November 2020 were issued. No other options were issued during the year and no other options have been exercised during the year and up to the date of this financial report.

At the end of the financial year there were 65,850,000 (2017: 61,100,000) unissued ordinary shares in respect of which options were outstanding.

(d) Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting on the Company.

(ii) Reserves

(a) Share Based Payments Reserve

	2018 \$	2017 \$
<i>Movements</i>		
Balance at beginning of year	2,483,768	2,211,648
Options issued - employees (refer note 19A)	279,489	167,120
Shares issued for Collurabbie (refer note 19B)	(105,000)	105,000
Balance at end of year	2,658,257	2,483,768

Nature and Purpose of Reserves

Share Based Payment Reserve

This reserve is used to record the value of equity benefits provided to employees and unrelated parties for services and the acquisition of mineral exploration projects.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 19. SHARE BASED PAYMENTS

A. Directors and Employees

(i) Employee Share Incentive Scheme

An Employee Share Scheme (ESS) has been established where Rox Resources Limited may, at the discretion of Directors, grant options over the ordinary shares of Rox Resources Limited to Directors, executives and employees of the Company. The plan is designed to provide long-term incentives for employees and to deliver long term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive guaranteed benefits. In addition, under the Plan, the Board determines the terms of the options including exercise price, expiry date and vesting conditions, if any.

Options granted under the plan are unlisted and carry no dividend or voting rights. When exercised, each option is convertible into an ordinary share of the Company with full dividend and voting rights.

4,250,000 options were issued during the year (2017: 3,750,000) and there are no other options on issue that have been issued under the plan.

Set out below is a summary of options issued.

2018

Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Balance of the start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Forfeited during the year (number)	Balance at end of the year (number)	Vested and exercisable at end of the year (number)
15 Dec 16	30 Nov 19	2.6	0.8	3,750,000	-	-	-	3,750,000	1,875,000
15 Dec 17	30 Nov 20	2.4	0.8	-	4,250,000	-	-	4,250,000	4,250,000
				3,750,000	4,250,000	-	-	8,000,000	6,125,000
Weighted average exercise price				\$0.026	\$0.024	-	-	\$0.025	\$0.025

2017

Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Balance of the start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Forfeited during the year (number)	Balance at end of the year (number)	Vested and exercisable at end of the year (number)
15 Dec 16	30 Nov 19	2.6	0.8	-	3,750,000	-	-	3,750,000	-
				-	3,750,000	-	-	3,750,000	-
Weighted average exercise price				\$0.026	\$0.026	-	-	\$0.026	-

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.9 years (2017: 2.4).

NOTE 19. SHARE BASED PAYMENTS (CONTINUED)

A. Directors and Employees (Continued)

Fair value of options granted

The fair value for options issued was calculated by the Binomial Option valuation methodology using the following parameters.

	2018 \$	2017 \$
Weighted average exercise price (cents)	2.4	2.6
Weighted average life of the option (years)	3.0	2.9
Weighted average underlying share price (cents)	1.5	1.5
Expected share price volatility	100%	100%
Risk free interest rate	2.1%	2.0%

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

The life of the options is based on historical exercise patterns, which may not eventuate in the future.

No other features of options granted were incorporated into the measurement of fair value.

(ii) Other Share Options

Options issued to Directors and employees other than through the ESS are set out below.

2018

Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Balance of the start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Forfeited during the year (number)	Balance at end of the year (number)	Vested and exercisable at end of the year (number)
1 Dec 14	30 Nov 17	5.6	1.4	17,500,000	-	-	17,500,000	-	-
11 Dec 15	30 Nov 18	2.7	0.8	21,850,000	-	-	-	21,850,000	21,850,000
19 Dec 16	30 Nov 19	2.6	0.8	18,000,000	-	-	-	18,000,000	9,000,000
15 Dec 17	30 Nov 20	2.4	0.8	-	18,000,000	-	-	18,000,000	18,000,000
				57,350,000	18,000,000	-	17,500,000	57,850,000	48,850,000
Weight average exercise price				\$0.035	\$0.024	-	\$0.056	\$0.026	\$0.056

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.4 years (2017: 1.4).

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 19. SHARE BASED PAYMENTS (CONTINUED)

(ii) Other Share Options (Continued)

2017

Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Balance of the start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Forfeited during the year (number)	Balance at end of the year (number)	Vested and exercisable at end of the year (number)
27 Feb 14	28 Feb 17	5.7	2.6	1,250,000	-	-	1,250,000	-	-
1 Dec 14	30 Nov 17	5.6	1.4	17,500,000	-	-	-	17,500,000	17,500,000
11 Dec 15	30 Nov 18	2.7	0.8	21,850,000	-	-	-	21,850,000	10,925,000
19 Dec 16	30 Nov 19	2.6	0.8	-	18,000,000	-	-	18,000,000	-
				40,600,000	18,000,000	-	1,250,000	57,350,000	28,425,000
Weight average exercise price				\$0.040	\$0.026	-	\$0.057	\$0.035	\$0.056

B. Unrelated Parties

Collurabbie Nickel-Copper-PGE – Project

The Group acquired the Collurabbie Nickel-Copper-PGE – Project during the year ended 30 June 2017. This transaction has been accounted for as an asset acquisition. The consideration paid was settled via an issue of 7,500,000 fully paid ordinary shares in the Company during the year ended 30 June 2018.

Mt Fisher gold project

The Group paid the final milestone payment for the Mt Fisher gold project in October 2017. The consideration paid was settled via an issue of 15,000,000 fully paid ordinary shares in the Company.

In accordance with AASB 2 Share Based Payments, there is a rebuttable presumption that the fair value of goods or services received can be estimated reliably for transactions with parties other than employees. This presumption has been rebutted given that the fair value of the underlying assets (being exploration and evaluation assets) could not be reliably measured. Accordingly, the assets acquired have been recorded based on the fair value of the shares issued, calculated at the closing share price on the date of issue.

There were no other options issued to unrelated parties during the 2017 or 2018 financial years. Options issued to unrelated parties during the previous financial years are set out below.

2017

Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Balance of the start of the year (number)	Granted during the year (number)	Exercised during the year (number)	Balance at end of the year (number)	Vested and exercisable at end of the year (number)
25 Mar 14	31 Mar 17	8.0	2.7	8,294,862	-	(8,294,862)	-	-
4 Apr 14	31 Mar 17	8.0	2.7	13,142,439	-	(13,142,439)	-	-
				21,437,301	-	(21,437,301)	-	-
Weight average exercise price				\$0.08	-	\$0.08	-	-

NOTE 20. ACCUMULATED LOSSES

	2018 \$	2017 \$
Balance at beginning of year	25,349,571	38,776,962
Net loss/ (profit) attributable to members of Rox Resources Limited	3,239,946	(13,427,391)
Balance at end of year	28,589,517	25,349,571

No dividends were paid during or since the financial year. There are no franking credits available (2017: nil).

NOTE 21. EXPENDITURE COMMITMENTS

(a) Exploration Commitments

The Group has entered into certain obligations to perform minimum work on mineral tenements held. The Group is required to meet tenement minimum expenditure requirement which are set out below. These may be varied or deferred on application and are expenditures expected to be met in the normal course of business.

	2018 \$	2017 \$
Not later than one year	763,000	900,920
Later than one year and not later than five years	-	-
	763,000	900,920

(b) Remuneration Commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognized as liabilities, payable:

	2018 \$	2017 \$
Not later than one year	544,500	448,400
Later than one year and not later than five years	816,750	732,600
	1,361,250	1,181,000

NOTE 22. CONTINGENT LIABILITIES

At the financial reporting date there are no contingent liabilities.

NOTE 23. EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year the Company completed the acquisition of E53/1788 (Mt Fisher Gold Project) and E53/1802 (Fisher East Nickel Project) for a cost of \$600,000, continued to progress the spin-out of its Mt Fisher gold project through Helios Gold Limited and, through Helios, entered into an option agreement to acquire the Bronzewing South Gold Project.

No other matter or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Notes to the Financial Statements

for the year ended 30 June 2018

NOTE 24. RELATED PARTY TRANSACTIONS

Director Related Transactions

Coolform Investments Pty Ltd, a company in which Mr Dickson is a Director and shareholder, received fees totalling \$169,950 (2017: \$145,200) for the provision of services. An amount of \$Nil (2017: \$13,200) is payable at year end.

During the year the Group paid fees totalling \$119,711 (2017: \$ 90,309 including GST) to Azure Minerals Limited, a company of which Mr Dickson is an officer, for the provision of office accommodation. An amount of \$ 46,280 (2017: \$25,498) is payable at year end. The Group also received fees totalling \$ 31,481 (2017: \$109,035 including GST) from Azure Minerals Limited being reimbursement for the provision of office secretarial support. An amount of \$ 10,950 (2017: 12,759) is receivable at year end.

NOTE 25. JOINT OPERATIONS

Reward Project

During the 2017 financial year, the Group sold its interest in this project.

Bonya Project

During the 2016 financial year Rox earned a 51% interest in the Bonya project and elected to increase its interest to 70% by spending an additional \$1,000,000 by 10 December 2016. During 2016, Rox sought and was granted an extension of time to 10 December 2017 to complete this expenditure. In June 2017, Rox advised Arafura Resources that it would not complete the expenditure requirement to increase its interest to 70%. The investment is accounted for as a joint Operation with Rox having a 51% interest and Arafura 49%. As Rox only had an interest in minerals containing Cu, Pb, Zn, Au, Ag, Bi and PGE's. The JV was later re-structured so that Rox had an interest in all minerals, with the respective interests being Rox 40%, Arafura 60%. Subsequently Rox received an offer to purchase it's 40% interest in the JV tenement, plus 100% of an adjoining tenement for \$550,000 in Thor Mining PLC shares, which was accepted. Completion of the sale is expected during October 2018.

Mt Fisher Project – Doray Minerals Farm-In

In May 2016 the Company entered into an agreement with Doray Minerals Limited (Doray) to explore the gold project tenements at Mt Fisher. The agreement specifically excludes the Fisher East nickel sulphide tenements. Under the terms of the agreement Doray were required to spend a minimum of \$1 million by 30 June 2017 before it could withdraw.

Doray met its minimum expenditure commitment and has subsequently withdrawn from the project.

NOTE 26. GROUP INFORMATION

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal Activities	Country of incorporation	% equity interest	
			30 June 2018	30 June 2017
Helios Gold Limited ¹	Mineral exploration	Australia	100	-

¹ Helios Gold Limited was incorporated in the financial year as a 100% wholly owned subsidiary of Rox Resources Limited. As at 30 June 2018 the subsidiary has no significant operations, therefore the consolidated financial information reflects the financial information of the Parent Entity.

This is the end of the Financial Report.

Directors' Declaration

for the year ended 30 June 2018

In accordance with a resolution of the Directors of Rox Resources Limited, I state that:

1. In the opinion of the Directors':

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2018.

On behalf of the Board



I Mulholland
Managing Director
Perth, 12 September 2018

Independent Auditor's Report



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Independent auditor's report to the members of Rox Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Rox Resources Limited (the Company), and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent Auditor's Report (Continued)



Capitalised exploration and evaluation

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 15, as at 30 June 2018, the Group held capitalised exploration and evaluation expenditure assets of \$3,898,887.</p> <p>The carrying value of capitalised exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure assets may exceed their recoverable amount.</p> <p>The determination as to whether there are any indicators to require a capitalised exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.</p>	<p>We evaluated the Group's assessment of the carrying value of capitalised exploration and evaluation expenditure. In obtaining sufficient audit evidence, we:</p> <ul style="list-style-type: none"> ▶ considered the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as the project acquisition agreements ▶ considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included an assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group ▶ assessed recent exploration and evaluation activity in the relevant licence area to determine if there are any negative indicators that would suggest a potential impairment of the asset ▶ assessed recent exploration and evaluation transactions to determine if there are any negative indicators that would suggest the asset is not correctly held at the lower of the carrying amount and fair value less costs to sell ▶ considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimates could be made ▶ assessed the adequacy of the disclosure included in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

Independent Auditor's Report (Continued)



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (Continued)



- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Rox Resources Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Independent Auditor's Report (Continued)



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature of Ernst & Young in black ink.

Ernst & Young

A stylized, handwritten signature of T S Hammond in black ink.

T S Hammond
Partner
Perth
12 September 2018

Schedule of Mining Tenements

Project	Tenement Number	Interest	Interest Held
Mt Fisher, WA	E53/1061	All Minerals	100%
	E53/1106	All Minerals	100%
	E53/1319	All Minerals	100%
	E53/1788	All Minerals	100%
	E53/1836	All Minerals	100%
	M53/09	All Minerals	100%
	M53/127	All Minerals	100%
Fisher East, WA	E53/1218	All Minerals	100%
	E53/1318	All Minerals	100%
	E53/1716	All Minerals	100%
	E53/1802	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%
	P53/1496	All Minerals	100%
Collurabbie, WA	E38/2009	All Minerals	100%
	E38/2912	All Minerals	100%
	E38/3193	All Minerals	100%
Bonya, NT	EL 29599	All Minerals	100% ¹
	EL 29701	All Minerals	40% ¹

¹ Agreement reached to sell tenements to Thor Mining PLC

Other Information

The following information was applicable as at 11 September 2018.

(a) Top 20 shareholders of each class of listed security

Ordinary Fully Paid Shares

	Name	Number of Shares	% of Issued Share Capital
1	HSBC Custody Nominees (Australia) Limited	41,835,579	3.32
2	Jetosea Pty Ltd	27,195,527	2.16
3	Nirvana Now Pty Ltd <Ray Walker Family A/C>	19,000,000	1.51
4	Mr Ian Robert Mulholland	15,033,103	1.19
5	Avoca Resources Pty Ltd	15,000,000	1.19
6	Crescent Nominees Limited	12,250,000	0.97
7	Citicorp Nominees Pty Limited	12,116,733	0.96
8	Nalmor Pty Ltd John Chappell Super Fund A/C	12,000,000	0.95
9	Mr T Kahler + Mrs S Kahler <Kahler Super Fund A/C>	11,500,000	0.91
10	Dr David Graham Webb	10,664,900	0.85
11	Mr G J Blight + Mr S M Blight <Gregory Blight S/F A/C>	10,000,000	0.79
12	Mr Ram Shanker Kangatharan	10,000,000	0.79
13	Ramco Investments Pty Ltd <Ramco Family A/C>	10,000,000	0.79
14	SFN Holdings Pty Ltd	10,000,000	0.79
15	Teck Australia Pty Ltd	10,000,000	0.79
16	Amalgamated Dairies Limited	9,599,765	0.76
17	Leet Investments Pty Limited	8,859,996	0.70
18	UBS Nominees Pty Ltd	8,634,727	0.69
19	Leet Investments Pty Limited <Superannuation Fund A/C>	8,500,000	0.68
20	Ms Josephine Kathleen Patoir	8,400,000	0.67
		270,590,330	21.46

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

No substantial shareholders

(b) Distribution of Shareholders Number

Category (size of Holding)	Number of holders	Number of Shares
1 – 1,000	181	23,298
1,001 – 5,000	75	262,238
5,001 – 10,000	200	1,726,067
10,001 – 100,000	1,351	66,989,842
100,001 and over	1,500	1,189,779,126
Total	3,307	1,258,780,571
Holding less than a marketable parcel	1,178	20,830,662

There is a total of 1,258,780,571 fully paid ordinary shares on issue, all of which are listed on the ASX. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Restricted Securities

There are no restricted securities



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