

## HIGHLIGHTS

### Fisher East Nickel Project, WA

- Preparations being made for RC drilling at the Horatio, Mt Tate, Cutlass and Sabre North prospects
- EIS funding of \$119,200 for deep drilling at Camelwood granted

### Collurabbie, WA

- Satisfaction of Conditions Precedent for acquisition of project almost complete

### Mt Fisher Gold Project, WA

- Heritage survey completed as prelude to aircore drilling

### Reward Zinc-Lead Project, NT

- Teck advised that it would exercise its pre-emptive right to purchase Rox's interest in the project

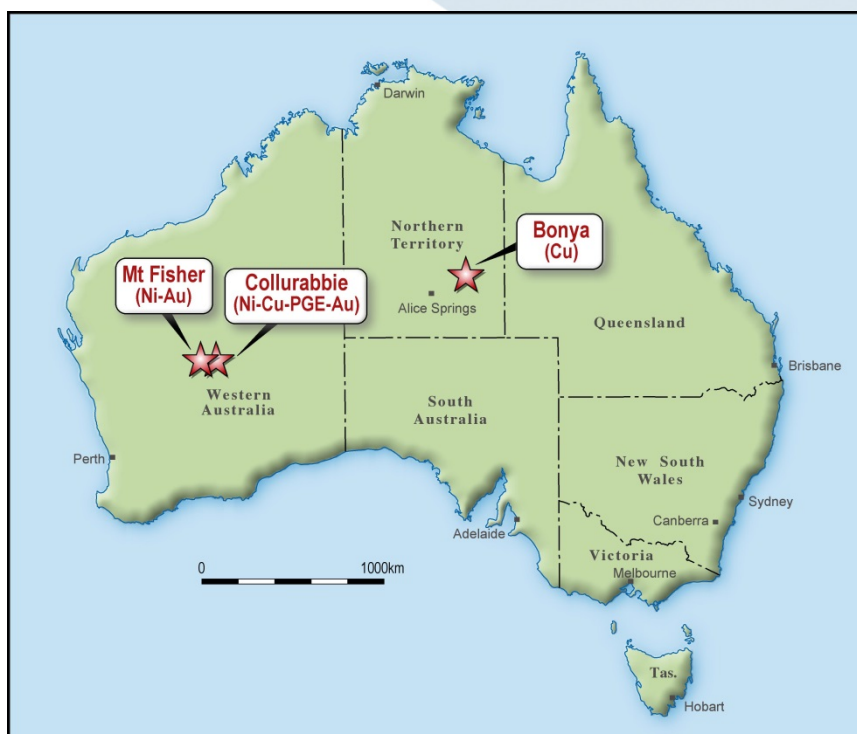


Figure 1: Rox Project Location Map

## FISHER EAST NICKEL PROJECT, WA (Rox 100%)

### Planned Drilling

Plans are well advanced for an RC drilling program at the Horatio, Mt Tate, Cutlass, and Sabre North prospects.

During the quarter the Company was granted \$119,200 Exploration Incentive Scheme (EIS) funding for deep drilling at Camelwood. Together with the existing \$72,000 EIS grant for Sabre drilling (see below), the Company has a total of \$191,200 of EIS funding available for drilling at Fisher East.

Further diamond drilling is also being planned at the Sabre deposit (Figure 3) to make progress towards the definition of a maiden mineral resource there. Sabre has only been subject to relatively shallow RC drilling, and the majority of the known EM conductor at Sabre has not been tested by deeper drilling. The best intercept to date has been 10m @ 1.9% Ni in hole MFEC115. EIS funding of \$72,000 has already been granted for this drilling.

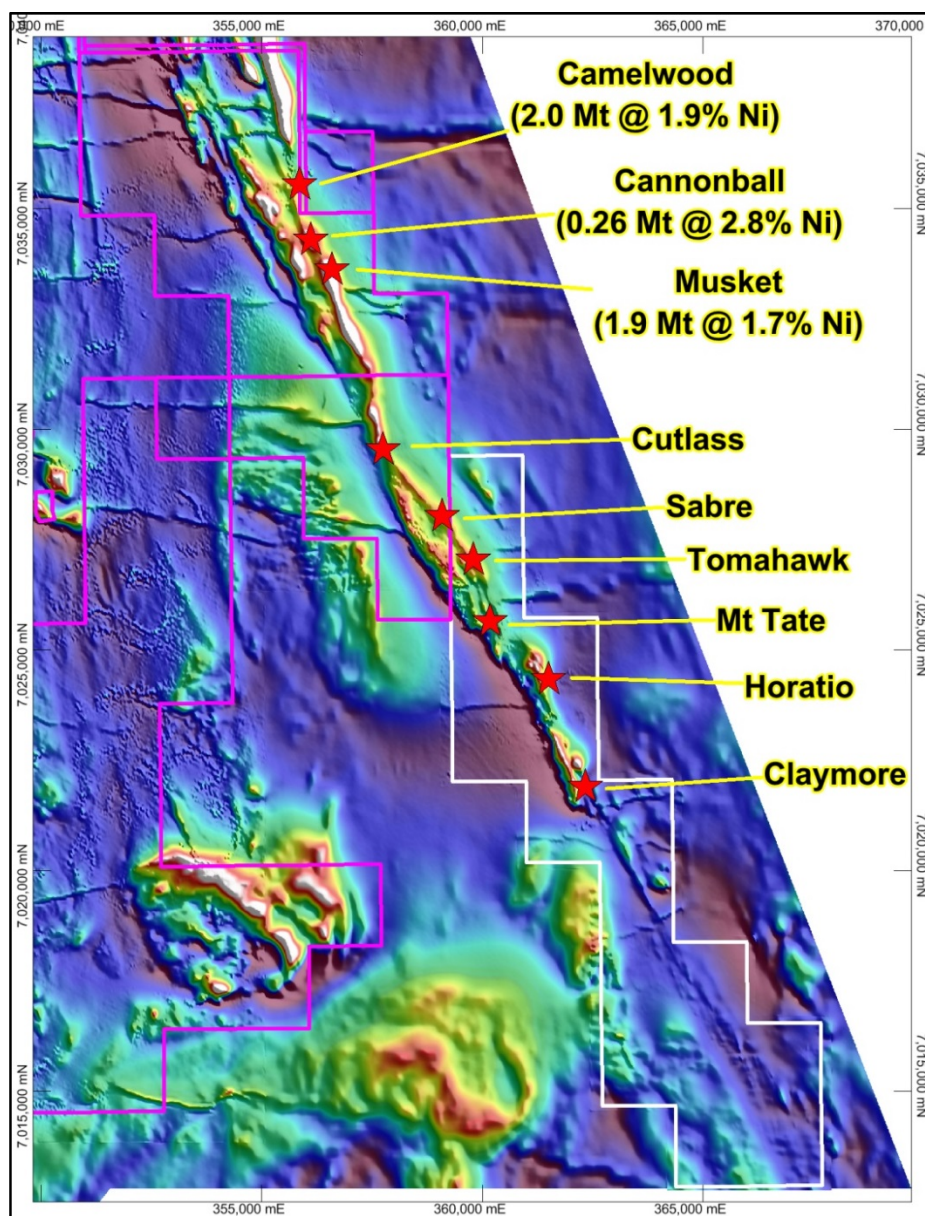


Figure 2: Fisher East Prospect Plan

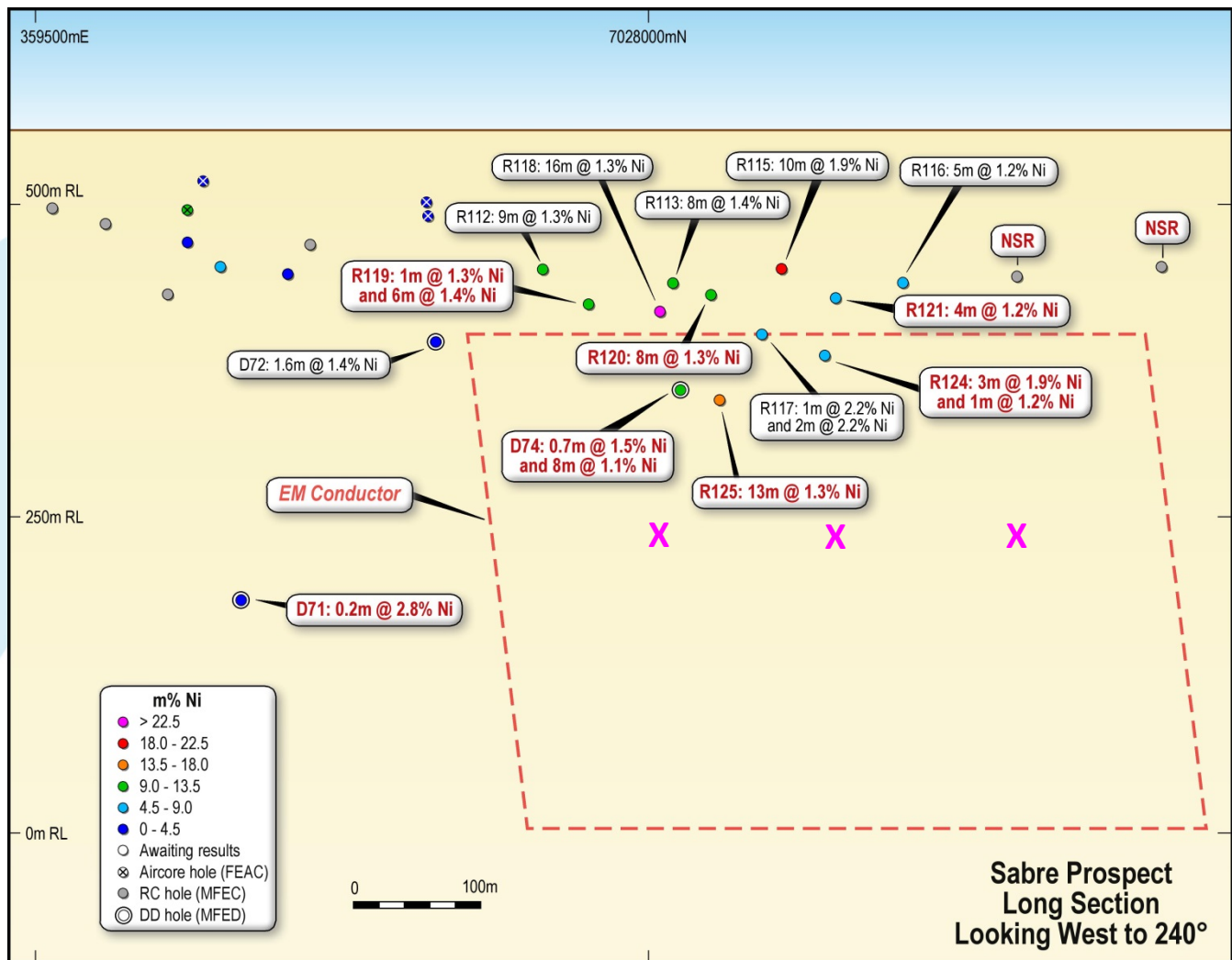


Figure 3: Sabre Deposit Long Section (X's mark the approximate planned intersection points of the drilling)

## COLLURABBIE NICKEL-COPPER-PGE PROJECT, NT (Rox to acquire 100%)

Satisfaction of the Conditions Precedent for the acquisition of the Collurabbie project (Figure 4) are almost complete. Once the acquisition is finalised, the Company has an aircore drilling program planned.

The Company believes the acquisition of the Collurabbie project is an excellent strategic opportunity and fit with its current portfolio for the following reasons:

- It is an advanced 100% owned project with synergies to Fisher East
- This is a counter cyclical investment, leveraged to nickel price upside
- There is a low acquisition cost of \$25,000 cash and 7,500,000 Rox shares
- Low work commitments on the tenements of \$90,000 per year
- Drill ready gold and nickel targets, with high grades already intersected



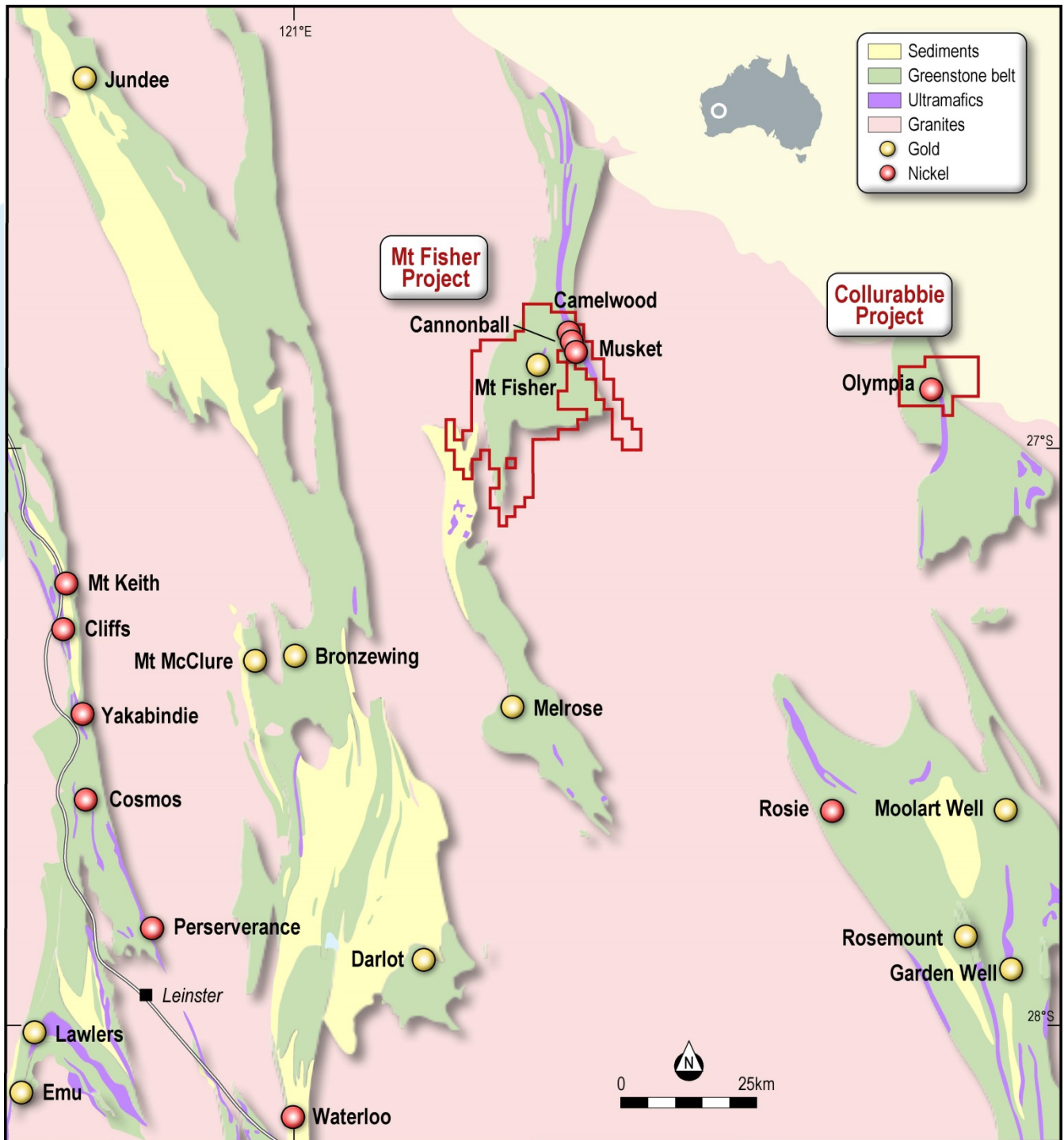


Figure 4: Collurabbie and Mt Fisher Project Location Plan

## MT FISHER GOLD PROJECT, WA (Rox 100%)

During the quarter, under an earn-in joint venture with Doray Minerals Limited (“Doray”) (ASX:DRM), a heritage survey was completed covering the area of an aircore drilling program that Doray plans to commence during the first quarter of 2017. Results from that drilling will be reported as they come to hand.

## REWARD ZINC-LEAD PROJECT, NT (Rox 49%, Teck 51% with option exercised to increase to 70%)

During the quarter (ASX:RXL 19 October 2016), Teck Australia Pty Ltd (“Teck”) advised Rox that it would exercise its pre-emptive right in relation to an offer previously received from Marindi Metals Limited (“Marindi”) (ASX:RXL 17 August 2016) for the purchase of Rox’s 49% interest (being diluted to 30%) in the Reward Zinc Project in the Northern Territory (Figure 5). The Company is progressing the necessary documentation relating to this sale.

Marindi (ASX:MZN 19 October 2016) subsequently advised that it was reserving its rights in relation to the sale and lodged a writ against Rox (ASX:RXL 17 November 2016) seeking specific performance of the sale to Marindi, and/or damages. Rox has denied the claims made by Marindi and has been preparing its defence.

A settlement of \$220,000 was recently reached by the Company with IMI Zinc Exploration Pty Ltd (“IMI”) in relation to their reasonable expenses related to an earlier purchase offer made by IMI (ASX:RXL 14 December 2016).

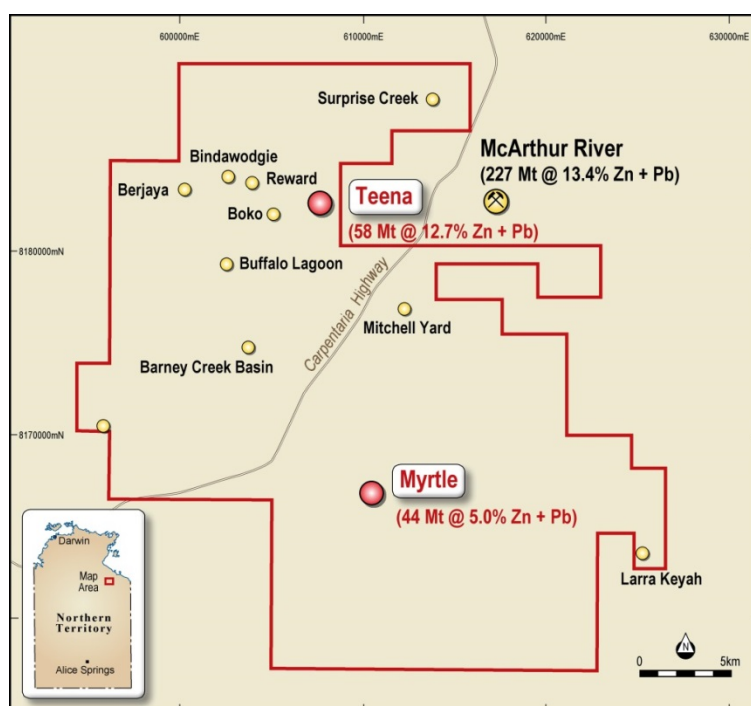


Figure 5: Reward Project Tenement Plan showing prospect locations.

(Myrtle Mineral Resource, ASX:RXL 15 March 2010; Teena Mineral Resource, ASX:RXL 1 June 2016; McArthur River Mineral Resource, Leach et. al., 2005, *Economic Geology 100<sup>th</sup> Anniversary Volume*, pp561-607)

## BONYA COPPER PROJECT, NT (Rox 51%, earning up to 70%)

No field activity occurred on the project during the quarter.

After a review, Rox has offered its interest in the project for sale. Updates on that process will be provided as appropriate.

## CORPORATE

As of 31 December 2016, the company's cash balance was \$0.88 million.

Dated this 23<sup>rd</sup> day of January 2017.

Signed on behalf of the Board of Rox Resources Limited.

A handwritten signature in black ink, appearing to read "Ian Mulholland".

**IAN MULHOLLAND**  
Managing Director

## Competent Person Statements:

### **Resource Statements**

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

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

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

### **General**

*The information in this report that relates to previous Exploration Results was either prepared and first disclosed under the JORC Code 2004 or under the JORC Code 2012, and has been properly and extensively cross-referenced in the text to the date of original announcement to ASX. In the case of the 2004 JORC Code Exploration Results and Mineral Resources, they have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

## About Rox Resources

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

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

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

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

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

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

### Collurabbie Gold-Nickel Project (100%)

The Collurabbie project is located in the highly prospective North Eastern Goldfields region of Western Australia and is prospective for gold and nickel. The project area of 123km<sup>2</sup> hosts the Olympia nickel sulphide deposit and a number of other prospects for nickel sulphide mineralisation. Drilling results of **5.8m @ 3.00% Ni, 1.96% Cu, 5.3g/t PGE**, have been returned from Olympia. The style of nickel sulphide mineralisation is different to that at Fisher East, with a significant copper and PGE component at Collurabbie, and has been compared to the Raglan nickel deposits in Canada (>1Mt contained nickel).

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

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

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

The Myrtle deposit has a JORC 2004 zinc-lead Mineral Resource (ASX:RXL 15 March 2010) of 44 Mt @ 5.0% Zn+Pb reported at a 3.0% Zn+Pb cut-off (Indicated: 5.8 Mt @ 3.6% Zn, 0.9% Pb; Inferred: 37.8 Mt @ 4.2% Zn, 1.0% Pb).

The Teena deposit has a JORC 2012 Inferred zinc-lead Mineral Resource (ASX:RXL 1 June 2016) of 58 Mt @ 12.7% Zn+Pb (11.1% Zn, 1.6% Pb) at a 6% Zn+Pb cut-off, and is the most significant new discovery of zinc in Australia since Century in 1990.

Rox recently elected to sell its interest in the project and Teck has exercised its pre-emptive right to acquire that interest (ASX:RXL 19 October 2013).

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

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

Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya after spending \$500,000 (ASX:RXL 16 December 2014). Rox is earning a further 19% (for 70% in total) by spending a further \$1 million by 10 December 2017.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

**ROX RESOURCES LIMITED**

**ABN**

**53 107 202 602**

**Quarter ended ("current quarter")**

**31 December 2016**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(133)	(302)
(b) development	-	-
(c) production	-	-
(d) staff costs	(142)	(269)
(e) administration and corporate costs	(325)	(393)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	20
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(599)</b>	<b>(941)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – deposit on sale of project	130	280
<b>2.6 Net cash from / (used in) investing activities</b>	<b>130</b>	<b>280</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(54)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>946</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,350	596
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(599)	(941)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	130	280
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	946
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>881</b>	<b>881</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	731	1,200
5.2	Call deposits	150	150
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>881</b>	<b>1,350</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
160
-

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

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

n/a

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)
- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

n/a

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	200
9.2	Development	-
9.3	Production	-
9.4	Staff costs	140
9.5	Administration and corporate costs	200
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>540</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1836 E53/1875 E53/1876	All Minerals All Minerals All Minerals	0% 0% 0%	100% 100% 100%

### Compliance statement

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

Sign here

  
(Director/Company secretary)

Date: 23 January 2017

Print name: Brett Dickson



## Annexure 1 – Mining Tenements

Project	Tenement Number	Interest	Interest Held
Reward, NT	EL10316	All Minerals	49%
	EL26406 *	All Minerals except Diamonds	49%
	EL27541	All Minerals	49%
Mt Fisher, WA	EL30042 *	All Minerals except Diamonds	49%
	E53/1061 **	All Minerals	100%
	E53/1106 **	All Minerals	100%
	E53/1218 +	All Minerals	100%
	E53/1219 **	All Minerals	100%
	E53/1250 **	All Minerals	100%
	E53/1318	All Minerals	100%
	E53/1319 **	All Minerals	100%
	E53/1465 **	All Minerals	100%
	E53/1716	All Minerals	100%
	E53/1836 **	All Minerals	100%
	E53/1884	All Minerals	Application
	E53/1885	All Minerals	Application
	E53/1886	All Minerals	Application
	E53/1887	All Minerals	Application
	E53/1910 **	All Minerals	Application
	M53/127	All Minerals	100%
	M53/09**	All Minerals	100%
	P53/1496	All Minerals	100%
	P53/1497 **	All Minerals	100%
	P53/1625 **	All Minerals	100%
	E53/1788 ** ++	All Minerals	-
	E53/1802 ++	All Minerals	-
Mt Eureka, WA	E53/1875	All Minerals	100%
	E53/1876	All Minerals	100%
	E53/1877	All Minerals	Application
Collurabbie, WA	E38/3193	All Minerals	Application
	P38/4256	All Minerals	Application
	P38/4264	All Minerals	Application
Bonya, NT	EL29599	All Minerals	100%
	EL29701 ***	Cu, Pb, Zn, Au, Ag, Bi, PGE'S	51%

Teck Australia Pty Ltd is earning a 70% interest in all of the Reward project tenements. On 19 October 2016 Teck advised Rox that it had exercised its pre-emptive right to acquire Rox's interest in the Reward Zinc Project.

\* Legend International Holdings has rights to diamonds on EL26406 and portions of EL30042

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

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

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

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