

28 JULY 2017

Quarterly Report

For the period ending 30 June 2017

Highlights

- **Fisher East Nickel Project, WA**
 - RC drilling completed testing targets at Cutlass, Sabre North, Mt Tate, Tomahawk, Horatio and Claymore
 - Diamond drilling completed at Sabre, Musket and Camelwood
 - New nickel sulphide mineralisation and extensions to known resources identified
- **Mt Fisher Gold Project, WA**
 - Aircore drilling program completed, identifying particular zones of interest
- **Collurabbie Nickel-Copper-PGE-Gold Project, WA**
 - 100% project ownership secured after dismissal of plaint
 - Aircore drilling planned for the September 2017 quarter
- **Bonya Copper Project, NT**
 - Ground gravity survey completed
 - Joint venture formed with Arafura Resources
- **New project opportunities being actively reviewed**
- **Corporate**
 - Litigation with Marindi Metals Limited settled
 - Cash on hand at end of quarter was \$13.9 million

INTRODUCTION

Rox Resources Limited (ASX: RXL) (“Rox” or “the Company”) is pleased to provide its Quarterly Report for the period ending 30 June 2017.

Several drilling programs have been undertaken across the Company’s portfolio and further programs are planned.

The Company continues to carefully explore its nickel projects but with a prudent approach given the current nickel market and outlook. The Company has also initiated a search for project opportunities in other commodities, including copper, zinc, gold and silver.

Litigation commenced by Marindi Metals Limited in November 2016 has been withdrawn after the parties agreed to settle the matter (ASX:RXL 27 July 2017).

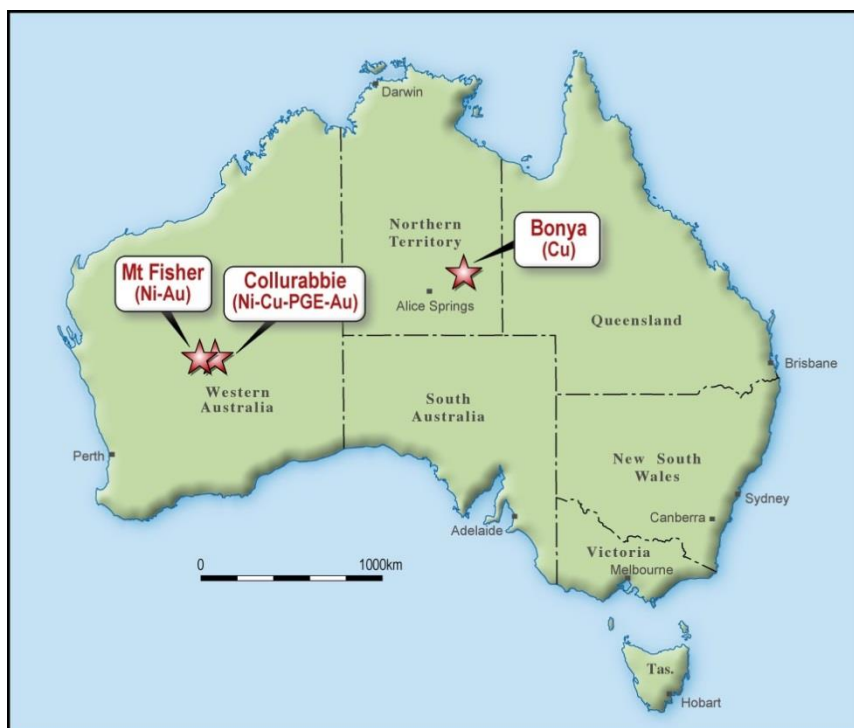


Figure 1: Rox Project Location Map

Fisher East Nickel Project, WA

A 1,800m RC program at Fisher East (Figures 2 & 3) (ASX:RXL 31 May 2017) was completed resulting in encouraging results, including the generation of the first ever intersection of

massive and disseminated nickel sulphides at Mt Tate.

Drilling highlights included:

Mt Tate

- MFEC127: 1m @ 0.88% Ni from 121m, within semi-massive sulphides.
- MFEC128: **2m @ 1.45% Ni** from 94m, transitional disseminated nickel sulphide.
- MFEC135: 4m @ 0.57% Ni from 141m, disseminated sulphides.
- MFEC136: **2m @ 1.42% Ni** from 146m, disseminated sulphides.
- MFEC137: 1m @ 0.81% Ni from 196m, disseminated sulphides.
- MFEC140: 1m @ 0.85% Ni from 125m, within massive sulphide.

Cutlass

- MFEC132: 4m @ 0.43% Ni from 108m, and
- 4m @ 0.35% Ni from 134m, two zones of low grade disseminated nickel sulphides.

Sabre North

- MFEC133: 5m @ 0.67% Ni from 115m, disseminated sulphides.

A 7m thick massive pyrite zone at Mt Tate sits approximately 20m stratigraphically above (downhole because sequence is over-turned) the nickel sulphide zone.

This massive pyrite zone was also intersected at Tomahawk. It is significant because it shows that a strong sulphide source is present, which is an essential ingredient to the formation of nickel sulphides.

Following the RC work a 3,350m Diamond drilling program was undertaken to test for further massive nickel sulphide potential at Sabre, extend the Camelwood massive sulphides at depth, and to test a downhole EM conductor along strike at Musket.

This programme was completed following the end of the Quarter and resulted in massive, semi-massive and disseminated nickel sulphides being intersected (ASX:RXL 19 July 2017).

Camelwood

The results from hole MFED076 at Camelwood (Figure 4) showed that high grade nickel

sulphide mineralisation continues at least 100m deeper than the previous drilling had indicated (MFED036: 1.6m @ 3.7% Ni). In addition, the DHEM results showed the possibility of mineralisation extending down dip to the south. The drill hole was partially funded under the WA Government Exploration Incentive Scheme (EIS). Assay results were:

MFED076: **7.7m @ 1.4% Ni** from 693.3m, within semi-massive and disseminated sulphides, including **1.4m @ 2.9% Ni** from 693.3m.

Musket

The drill hole at Musket (Figure 5) intersected a brecciated and faulted zone where an intrusive porphyry may have disrupted the mineralised zone. There were rip-up clasts of ultramafic rock and nickel sulphides within the brecciated zone. There is a strong off hole DHEM conductor which could indicate a new mineralised zone and warrants drill testing. Assay results were:

MFED079: **0.13m @ 2.3% Ni** from 519.0m, within a nickel sulphide stringer.

0.5m @ 4.7% Ni from 522.5m, within matrix sulphides.

0.1m @ 2.6% Ni from 606.1m, within a nickel sulphide stringer.

0.2m @ 2.6% Ni from 607.1m, within a nickel sulphide stringer.

Sabre

The drilling at Sabre (Figure 6) was designed to test the deeper portions of a conductive EM plate defined from ground surveys about 100m below previous RC drill intercepts (e.g. 13m @ 1.3% Ni.) The drill holes intersected a mineralised zone of variable thickness, containing semi-massive and disseminated nickel sulphides.

Small, but strong DHEM conductors were detected adjacent to holes MFED075 and 077. Unfortunately, hole MFED078 was blocked and couldn't be surveyed. The drill holes were partially funded under the WA Government Exploration Incentive Scheme (EIS). Assay Results were:

MFED075: **2.0 m @ 1.0% Ni** from 315.5m, within semi-massive and disseminated sulphides.

MFED077: **4.8m @ 1.2% Ni** from 330.0m, within semi-massive and disseminated sulphides.

MFED078: **2.3m @ 2.4% Ni** from 337.3m, within semi-massive and disseminated sulphides, including **0.7m @ 3.7% Ni** from 338.2m.

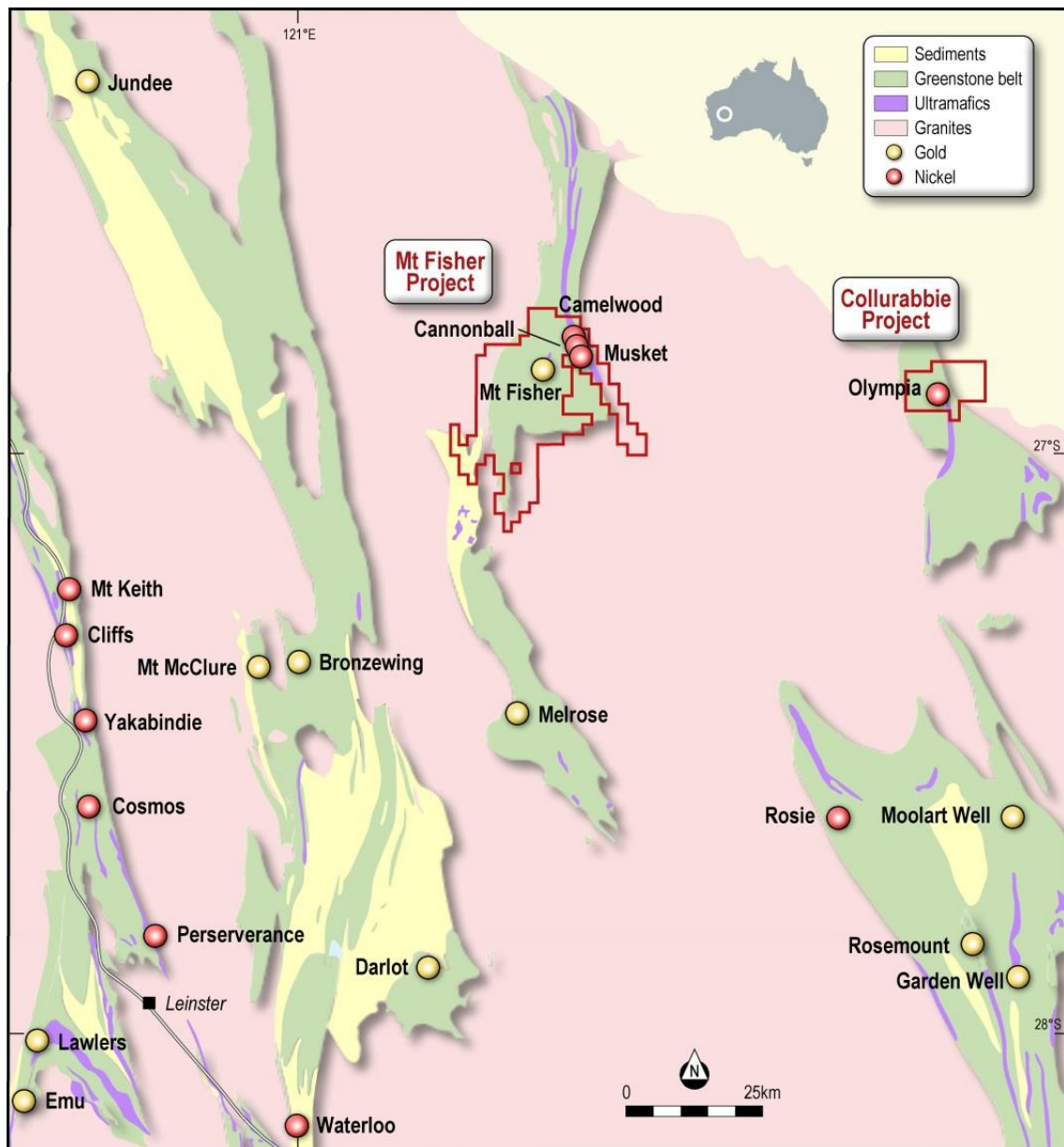


Figure 2: Mt Fisher (including Fisher East) and Collurabbie Project Locations

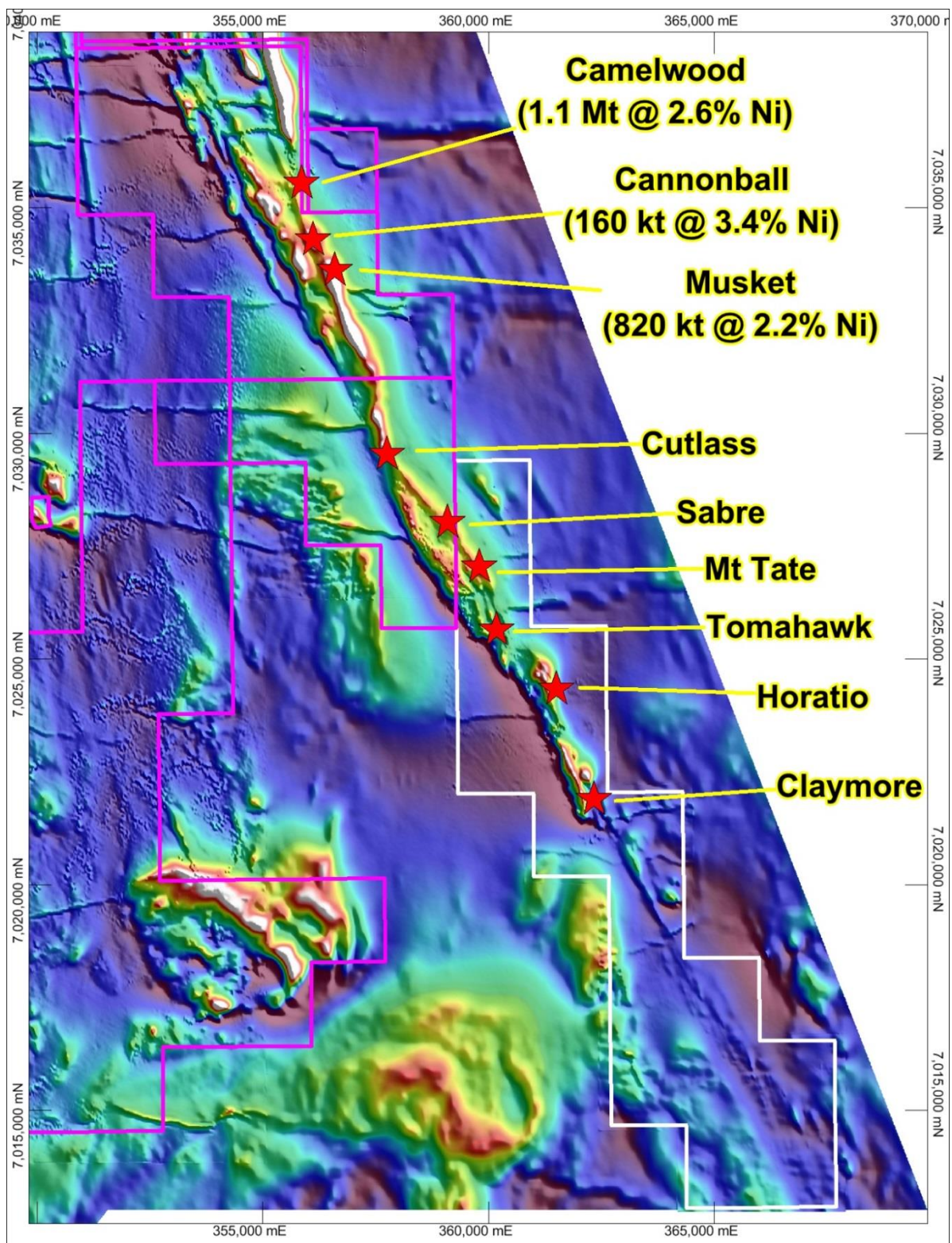


Figure 3: Fisher East Prospect Locations (Mineral Resources shown at a 1.5% Ni cut-off, as per ASX:RXL 5 February 2016)

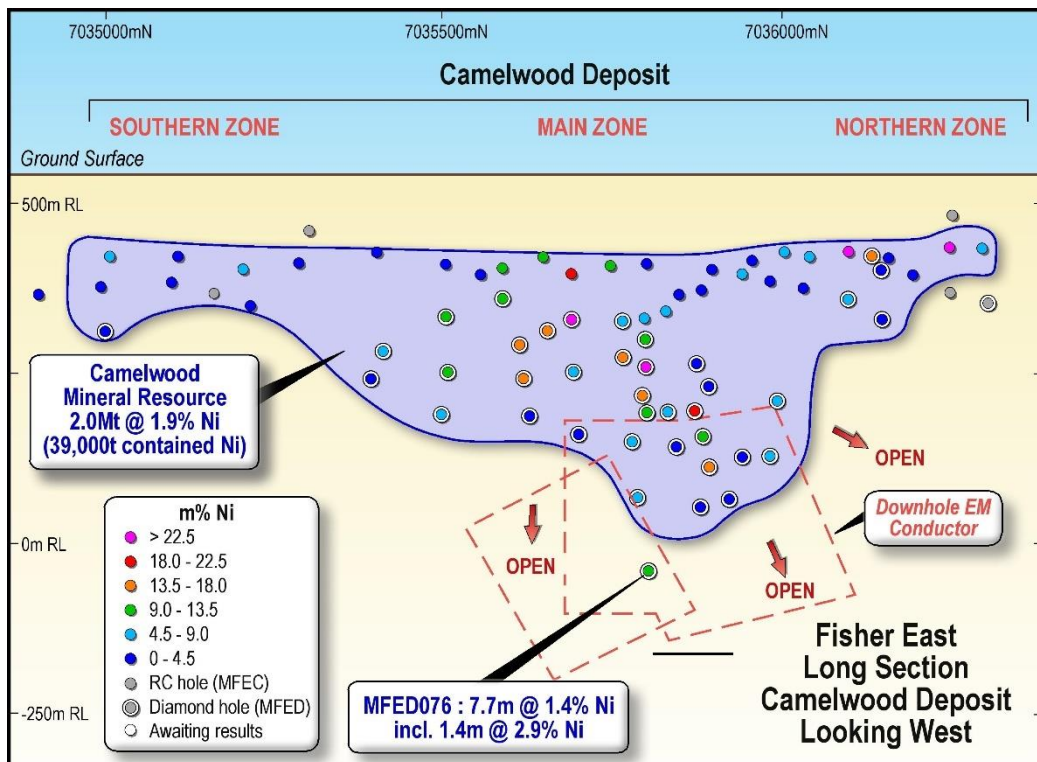


Figure 4: Camelwood Drilling Long Section

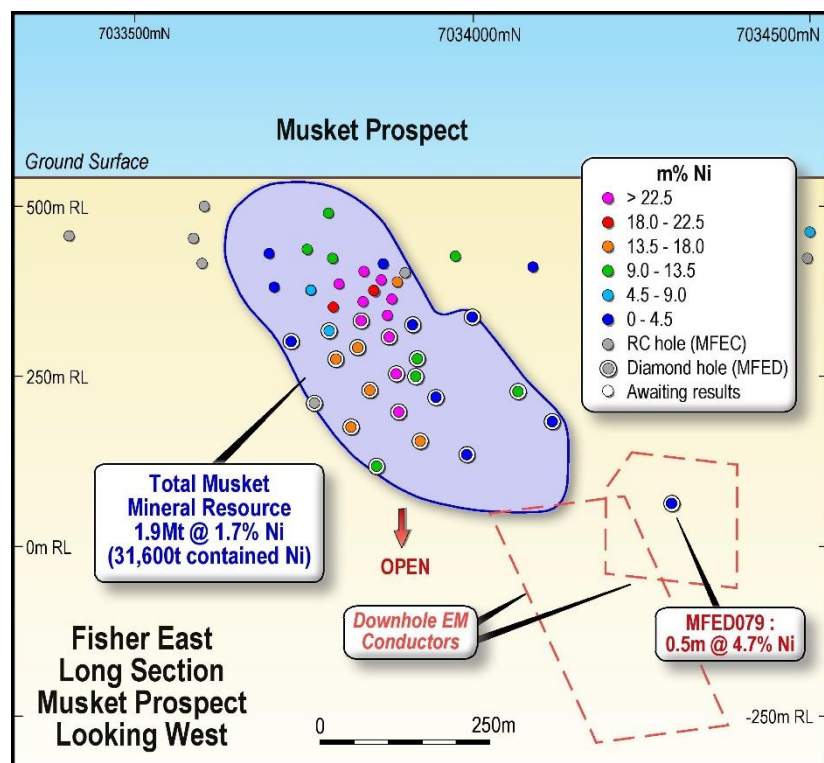


Figure 5: Musket Drilling Long Section

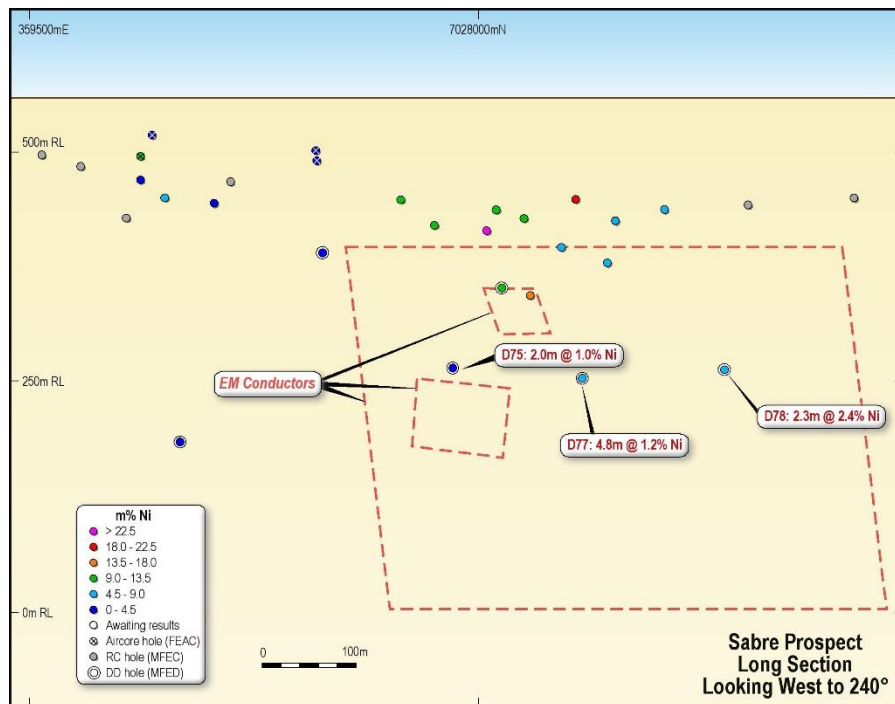


Figure 6: Sabre Drilling Long Section

Mt Fisher Gold Project, WA

During the period farm-in partner Doray Minerals met its minimum expenditure required of \$1 million by 30 June 2017. Doray subsequently advised that it did not wish to continue with its farm-in to the Mt Fisher gold project and has withdrawn from the project.

The results of Doray's exploration will be reviewed, particularly the zones of interest generated from the aircore drilling and elsewhere on the tenements (ASX:RXL 19 May 2017), and the next steps will be considered.

Collurabbie Nickel-Copper-PGE-Gold Project, WA

Rox secured 100% ownership of the Collurabbie project following the dismissal of a plaintiff brought by Baracus Pty Ltd.

The acquisition presents an excellent strategic opportunity and fits with the Company's current portfolio. The Collurabbie area has not had any exploration of substance since 2011 and Rox now plans to apply the same successful exploration techniques that have been used at Fisher East.

The first stage will be a 6,000m aircore drilling program to be undertaken during the third quarter of 2017. Historic core will also be re-logged. In addition, a mineral resource estimate for the Olympia deposit is due for completion during the quarter.

Bonya Copper Project, NT

Rox (51%) is exploring the Bonya Copper with Arafura Resources Limited (49%) (ASX:ARU). Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya after spending \$500,000 (ASX:RXL 16 December 2014). Rox has the right to earn a further 19% (for 70% in total) by spending a further \$1 million by 10 December 2017.

After consideration of the exploration results received to date, and the amount still required to be spent to reach a 70% interest, Rox has informed Arafura that it will not complete the Stage 2 earn-in expenditure. Accordingly, the parties have agreed that a joint-venture will be immediately formed with the respective interests as Rox 51% and Arafura 49%. Rox will be the manager of the joint venture. All further project expenditures will be split in this ratio unless a party elects to dilute as provided for in the Farm-in Agreement.

During the quarter, Rox completed a ground gravity survey over the Bonya Mine prospect area and the Jervois North area (Figure 7). Plots of the gravity residuals are shown in Figures 8 & 9. The adjacent Jervois copper deposits are defined by a magnetic and dense rock horizon that is mappable by gravity and other geophysical techniques (see various KGL Resources ASX releases).

At Bonya Mine, the gravity data (Figure 8) confirms the previously interpreted fold structure. The Bonya Mine prospect occurs in a gravity low and is not associated with any magnetic or dense strata. This further supports the interpretation that the high-grade Bonya Mine copper mineralisation is structurally controlled and remobilised and is of a later age than the strata-bound Jervois-type mineralisation that is the primary exploration target.

The gravity data from Jervois North (Figure 9) is highly encouraging, showing that the dense and magnetic strata hosting the Jervois mineralisation does continue into JV ground. This potentially represents the northern extension of the Jervois mineralised system and is a prime target for further exploration.

The parties will formalise the joint venture arrangements before a work program and budget going forward can be agreed. However, the Jervois North prospect will be a high priority for further work.

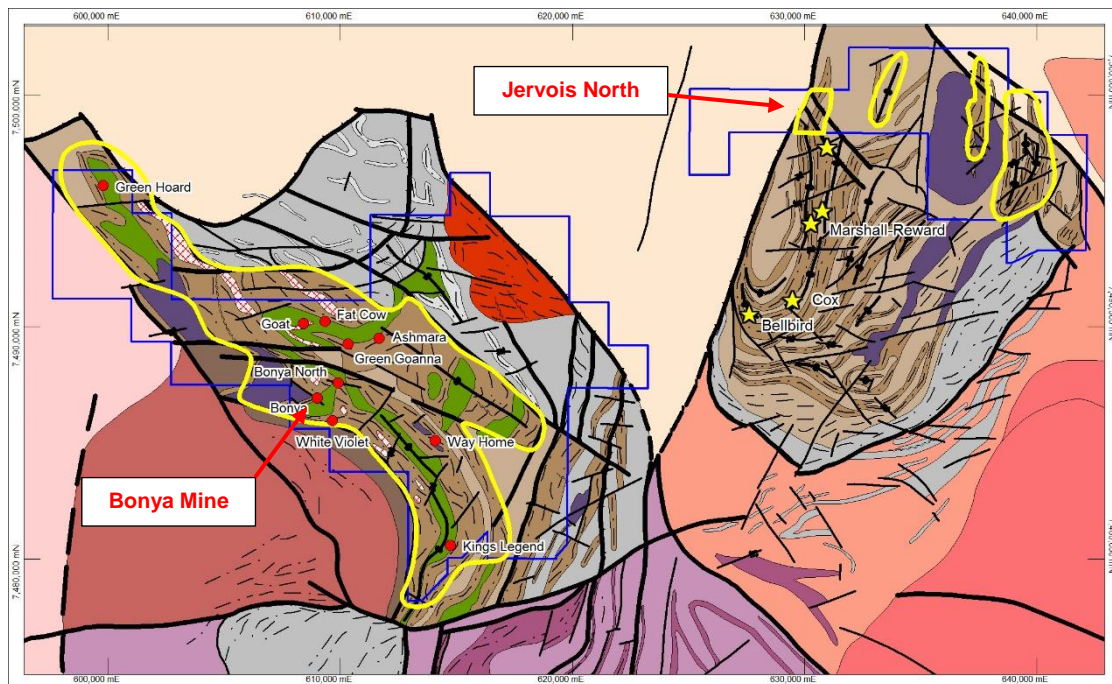


Figure 7: Location of Bonyal Project Ground Gravity Surveys

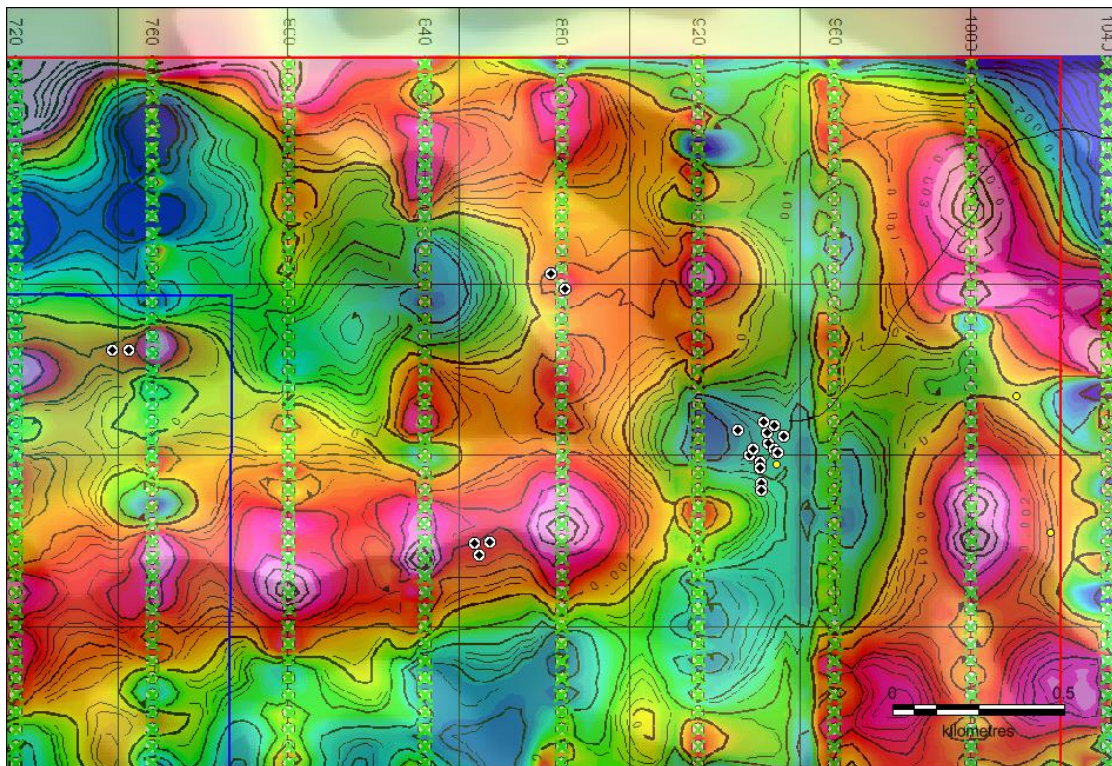


Figure 8: Bonyal Mine Ground Gravity Residuals – showing Bonyal Mine drill collars

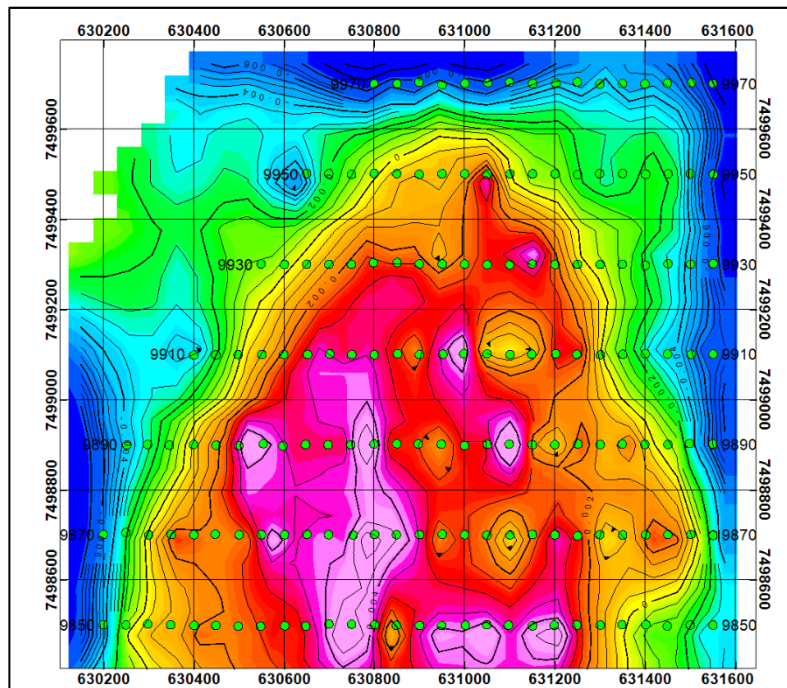


Figure 9: Jervois North Ground Gravity Residuals

Corporate

As of 30 June 2017, the company's cash balance was \$13.9 million.

Dated this 28th day of July 2017.

Signed on behalf of the Board of Rox Resources Limited



IAN MULHOLLAND
Managing Director

Competent Person Statements:

Resource Statements

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

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

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

General

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

About Rox Resources

Rox Resources Limited is an emerging Australian minerals exploration company. The company has a number of key assets at various levels of development with exposure to gold, nickel, copper and platinum group elements (PGE's), including the Mt Fisher Gold Project (WA), the Fisher East Nickel Project (WA), the Collurabbie Nickel-Copper-PGE Project (WA), and the Bonya Copper Project (NT).

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

The Mt Fisher project is located in the highly prospective North Eastern Goldfields region of Western Australia and in addition to being well endowed with gold, the project hosts several nickel sulphide deposits. The total project area is 675km², consisting of a 600km² area 100% owned by Rox and an Option to purchase 100% of a further 75km² of nickel and gold prospective ground.

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

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

Collurabbie Gold-Nickel Project (100%)

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

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

Bonya Copper Project (51%)

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

Under the Farm-in Agreement Rox has earned a 51% interest in the copper, lead, zinc, silver, gold, bismuth and PGE mineral rights at Bonya, and a joint venture between Rox (51%) and Arafura (49%) is now in operation.

Appendix 5B

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")

30 June 2017

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(595)	(1,012)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(219)	(888)
	(e) administration and corporate costs	(246)	(966)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	20
1.9	Net cash from / (used in) operating activities	(1,057)	(2,829)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(8)	(8)
	(b) tenements (see item 10)	(29)	(29)
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	15,207
	(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	-	-
2.6	Net cash from / (used in) investing activities	(37)	15,170

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(54)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	946
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,977	596
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,057)	(2,829)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(37)	15,170
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	946
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,883	13,883
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	732	14,826
5.2	Call deposits	13,151	151
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,883	14,977

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**

122

-

Includes salaries/fees/bonus payments/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	580
9.2	Development	-
9.3	Production	-
9.4	Staff costs	163
9.5	Administration and corporate costs	175
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	918

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	E53/1875	All Minerals	100%	0%
		E53/1876	All Minerals	100%	0%
		E53/1877	All Minerals	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E38/2009	All Minerals	0%	100%
		E38/2912	All Minerals	0%	100%
		E53/1887	All Minerals	0%	100%

Compliance statement

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

Sign here



(Director/Company secretary)

Date: 28 July 2017

Print name: Brett Dickson

Annexure 1 – Mining Tenements

Project	Tenement Number	Interest	Interest Held
Mt Fisher, WA	E53/1061	All Minerals	100%
	E53/1106	All Minerals	100%
	E53/1218	All Minerals	100%
	E53/1219	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	100%
	E53/1885	All Minerals	100%
	E53/1886	All Minerals	100%
	E53/1887	All Minerals	100%
	E53/1910	All Minerals	100%
	E53/1950	All Minerals	Application
	M53/09	All Minerals	100%
	M53/127	All Minerals	100%
	P53/1496	All Minerals	100%
	P53/1497	All Minerals	100%
	P53/1625	All Minerals	100%
	E53/1788 ¹	All Minerals	-
	E53/1802 ¹	All Minerals	-
Collurabbie, WA	E38/2009	All Minerals	100%
	E38/2912	All Minerals	100%
	E38/3193	All Minerals	Application
	P38/4256	All Minerals	Application
	P38/4264	All Minerals	Application
Bonya, NT	EL 29599	All Minerals	100%
	EL 29701	Cu, Pb, Zn, Au, Ag, Bi, PGE'S	51%

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

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