



24 March 2015

Dear Shareholder,

On behalf of the Board of Rox Resources Limited ("**Rox**" or the "**Company**"), I am pleased to be able to provide this update on recent activities and an outline of our plans for 2015.

Fisher East Nickel Project, WA

Several significant milestones were achieved for the project over recent months, and we look forward to expanding on these during the rest of 2015.

In September 2014 the Company was able to report a 100% increase in mineral resources to **3.6 Mt @ 2.0% Ni** for **72,100 tonnes of contained nickel** (Indicated 1.8 Mt @ 2.2% Ni, Inferred 1.9 Mt @ 1.8% Ni). This mineral resource is contained in the Camelwood and Musket deposits.

Subsequent drilling in October 2014 at Musket and Cannonball intersected significant nickel sulphide mineralisation outside of the defined mineral resources with results such as **5.3m @ 2.7% Ni** at Cannonball and **2.3m @ 4.1% Ni** at Musket. These results indicate that it is highly likely we will be able to increase the known mineral resources.

Based on the Mineral Resource published in September 2014, before the excellent drill results above were received, a **Scoping Study** was undertaken to determine some of the likely costs and options for development of the project. These were released to the ASX on 17 February 2015, and indicated that the project was **financially robust and technically low risk**. Further work is required to optimise the mining schedule before more definitive estimates of cash flow and project investment returns can be made.

The Scoping Study examined two possible development scenarios. The first was to build a processing plant on site, producing a nickel concentrate that would be sold on market. The second was to seek a toll milling arrangement with a nearby processing plant (such as those located in the Leinster area)

Capital costs were estimated to be relatively low, A\$85 million for the build plant option and A\$21 million for the toll milling option. Operating costs were estimated to be similar to other toll milling operations in Western Australia (such as those conducted at Kambalda by IGO, MCR and PAN).

Mining would be undertaken using typical Eastern Goldfields underground techniques, and would present few challenges. Metallurgical work has indicated that saleable nickel concentrates can be produced. There are no foreseeable environment, water or infrastructure/logistical issues.

This was an **extremely positive outcome** and has encouraged the Company to continue work at Fisher East with the goal of becoming a **nickel producer**.

Near the end of 2014 the Company acquired the tenement along strike to the south from the Camelwood, Cannonball and Musket deposits, and exploration work on this new tenement has now commenced with airborne magnetics and VTEM scheduled to be flown very soon. In addition, examination of previous (historic) exploration data from open file reports, and the knowledge our team has gained from our work on Camelwood and Musket, has indicated the presence of a number of **significant nickel geochemical anomalies**. These anomalies are currently being drilled as part of a large aircore drilling program. Results from this drilling will be released to the market as they come to hand during March and April.

Expansion of the mineral resource base is also a high priority for the Company, and while recent wet weather has delayed these activities, a **diamond core drilling program has now commenced** to test the targets mentioned above at Musket and Cannonball. Results will be reported as the drilling progresses. After this drilling is completed the mineral resources will be revised.

In the two and a half years of exploration at Fisher East the Company has spent approximately A\$8.1 million and defined mineral resources amounting to about 159 million pounds of contained nickel (one tonne of nickel is about 2,205 pounds). This equates to a discovery and resource definition cost of 4.8 cents per pound, one of the lowest in the industry. Approximately 80% of these funds have been spent directly on drilling. **Rox is an extremely low cost, efficient and successful explorer.**

The next six months will be an extremely active period, and planned **milestones** going forward are:

March	Round 1 of aircore drilling, testing targets at the Cutlass prospect and the new southern tenement.
March-May	Diamond drilling at Musket and Cannonball to expand the resource base.
March-April	Airborne magnetics and VTEM over the new southern tenement. RC drilling to follow-up any targets generated from Round 1 of aircore drilling.
April-May	Round 2 of aircore drilling to test new targets generated by the airborne magnetics and VTEM.
May-June	Follow-up of targets with RC and/or diamond core drilling as appropriate.
June-July	Revision of Mineral Resources.
July	Revision and optimisation of Mining Schedule based on new resource models

Reward Zinc-Lead Project, NT

The Reward Project is subject to an option/JV agreement between Rox (49%) and Teck Australia Pty Ltd "Teck" (51%), a subsidiary of Canada's largest diversified resource company Teck Resources Limited.

Diamond core drilling by Teck in the second half of 2014 was very successful in outlining and defining further zinc-lead mineralisation at the Teena prospect where a **high grade** zinc-lead mineralised body has now been defined over **1.9km (east-west) by 0.8km (north-south)**, from a depth of approximately 500m to 1,100m below surface. The Teena deposit rates as the **most significant zinc-lead discovery in Australia** in the last 20 years.

Highlights of the drilling in 2015 were:

TNDD013:	35.0m @ 6.1% Zn+Pb from 665.0m, including 3.0m @ 10.1% Zn+Pb from 670.0m, and 7.7m @ 9.9% Zn+Pb from 678.0m
TNDD014:	34.4m @ 6.2% Zn+Pb from 652.6m, including 4.1m @ 10.4% Zn+Pb from 657.0m, and 4.9m @ 11.8% Zn+Pb from 665.2m, and 2.5m @ 10.3% Zn+Pb from 676.5m
TNDD017:	25.5m @ 9.1% Zn+Pb from 795.9m, including 14.7m @ 13.3% Zn+Pb from 801.0m

The exploration program for 2015 will involve further drilling and characterisation studies (metallurgical and geotechnical) at Teena, plus regional exploration to assess other possible prospects. Further encouraging results are expected.

Bonya Copper Project, NT

The Bonya Project is a JV between Rox (51%) and Arafura Resources Limited (49%). Rox is currently earning up to 70%. An exciting development in the second half of 2014 was the **discovery of high grade copper sulphide** mineralisation at the Bonya copper prospect in October 2014.

A number of excellent drill intersections were made, including:

BYRC008	11m @ 4.4% Cu from 30m, including 3m @ 6.1% Cu from 33m
BYRC009	38m @ 4.4% Cu from 60m, including 6m @ 8.8% Cu from 60m and 8m @ 7.9% Cu from 82m
BYRC012	9m @ 3.8% Cu from 97m, including 3m @ 8.2% Cu from 97m
BYRC014	8m @ 7.6% Cu from 97m, including 3m @ 12.0% Cu from 101m, and 13m @ 5.4% Cu from 111m, including 3m @ 12.8% Cu from 119m
BYRC015	9m @ 2.8% Cu from 100m
BYRC018	5m @ 9.1% Cu from 109m, including 3m @ 13.4% Cu from 109m, and 11m @ 3.9% Cu from 121m

These would be some of the **highest copper sulphide grades** reported in recent times. The mineralisation style is still poorly understood due to the high grade metamorphic and structural overprint on the host rocks, but is probably similar in style to a number of other high grade copper occurrences in the Arunta region of the Northern Territory.

There are a number of **large untested outcropping copper oxide targets** (each extending over several hundreds of metres of strike) in the area which the Company plans to test this year with RC drilling.

The Company was pleased to have been invited to present details of the new discovery at a special technical conference being run by the Northern Territory Geological Survey this month.

Market Comments

During 2014 **Rox outperformed** the Materials and Mining Index (XMM) by over 40% and the Small Resources Index (XSR) by over 60%, reflecting the excellent progress being made and value being added. The Australian share market however, remains a very difficult environment for junior resource companies, with capital scarce and company valuations at all-time lows. Nevertheless the Company remains confident in the quality of our projects, their development prospects, and their underlying value.

Predictions for restrictions in supply for nickel and zinc, leading to increases in the price of these metals continues to put Rox in a very strong position once market sentiment turns and value starts being re-allocated to junior resource stocks. Based on our project portfolio, Rox should be one of the first companies to be re-rated when metal prices recover.

Kind Regards,



Jeff Gresham – Chairman
Ian Mulholland - Managing Director
Brett Dickson – Finance Director
Will Belbin – Exploration Manager

Your team at Rox Resources

Competent Person Statements:

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, MAICD, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Mulholland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mulholland is a full time employee and Managing Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to nickel Mineral Resources for the Fisher East project was reported to the ASX on 9 October 2013 and 4 September 2014. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 9 October 2013 and 4 September 2014, and that all material assumptions and technical parameters underpinning the estimates in the announcements of 9 October 2013 and 4 September 2014 continue to apply and have not materially changed.

The information in this report that relates to a Scoping Study of the Fisher East nickel project was reported to the ASX on 17 February 2015. Rox confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 17 February 2015, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 17 February 2015 continue to apply and have not materially changed.