

# **ROX RESOURCES LIMITED**

**ABN 53 107 202 602**

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

# Contents

Half-Year Report	Page No.
Corporate Directory	2
Directors' Report	3
Financial Statements	5
Declaration by Directors	13
Independent Review Report	14

# Corporate Directory

**Directors:**

Mr Stephen Dennis  
*Non-Executive Chairman*

Mr Ian Mulholland  
*Managing Director*

Mr Brett Dickson  
*Finance Director*

**Company Secretary:**

Mr Brett D Dickson

**Bankers:**

Westpac Banking Corporation  
40 St George's Terrace  
Perth WA 6000

**Auditor:**

Ernst & Young  
Ernst & Young Building  
11 Mounts Bay Road  
Perth WA 6000

Telephone: (08) 9429 2222  
Facsimile: (08) 9429 2436

**Solicitor:**

K & L Gates  
Level 32, St Martins Tower  
44 St Georges Terrace  
Perth WA 6000

Telephone: (08) 9216 0900  
Facsimile: (08) 9216 0901

*For shareholder information contact:*

**Share Registry:**

Computershare Registry Services Pty Ltd  
Level 11,  
172 St Georges Terrace  
Perth WA 6000

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

**Stock Exchange:**

Australian Securities Exchange

**Company Code:**

RXL (Fully Paid Shares)

**Listed Securities:**

1,236,280,571 Fully paid ordinary shares

**Un-Listed Securities:**

1,250,000 5.7 cent, 28 February 2017 options  
21,437,301 8.0 cent, 31 March 2017 options  
17,500,000 5.6 cent, 30 November 2017 options  
21,850,000 2.7 cent, 30 November 2018 options  
21,750,000 2.6 cent, 30 November 2019 options

*For information on your company contact:*

**Principal & Registered Office:**

Level 1  
34 Colin Street  
West Perth WA 6005

Telephone: (08) 9226 0044

Facsimile: (08) 9322 6254

Web: [www.roxresources.com.au](http://www.roxresources.com.au)

**Competent Person Statements:**

*The information in this report that relates to previous Exploration Results and Mineral Resources 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. 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.*

**ROX RESOURCES LIMITED**  
ABN 53 107 202 602

**DIRECTOR'S REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

Your directors submit the financial report of the Rox Resources Limited ("the Company") for the half-year ended 31 December 2016.

**DIRECTORS**

The names of the Company's directors in office during the financial period and until the date of this report are:

Mr Stephen Dennis

Mr Brett Dickson

Mr Ian Mulholland

Directors have been in office since the start of the financial period to the date of the report, unless otherwise stated.

**REVIEW OF OPERATIONS**

The loss for the half-year ended 31 December 2016 was \$1,362,138 (2015: \$1,590,107). This loss was influenced by expenditure on exploration activities during the period totalling \$302,045 (2015: \$814,114) and total corporate expenses of \$771,677 (2015: \$307,441).

During the period the Company successfully completed a placement of shares which raised \$945,870 (net of expenses of the placement) through the issue of 55,555,556 shares at \$0.018 each.

**Projects**

**Mt Fisher Gold-Nickel Project, WA (Rox 100% and option to earn 100%)**

During the period the Company advanced plans for an RC drilling program at the Horatio, Mt Tate, Cutlass, and Sabre North prospects.

Further diamond drilling is also being planned at the Sabre deposit 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 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, the Company has a total of \$191,200 of EIS funding available for drilling at Fisher East.

**Collurabbie Nickel-Copper-PGE Project, WA (Rox to acquire 100%)**

During the period the Company entered into an agreement to acquire the Collurabbie project. A number of Conditions Precedent for the acquisition remain outstanding but are expected to be completed in the first quarter of 2017. 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

### **Mt Fisher Gold Project, WA (Rox 100%, Doray earning up to 75%)**

During the period, under an earn-in joint venture with Doray Minerals Limited ("Doray"), a heritage survey was completed covering the area of an aircore drilling program that Doray plans to commence during the first quarter of 2017.

### **Reward Zinc-Lead Project, NT**

During 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") for the purchase of Rox's 49% interest (being diluted to 30%) in the Reward Zinc Project in the Northern Territory.

Since the end of the period Teck and Rox have completed the transaction with a total of \$15,827,273 paid to Rox. This amount is comprised of:

- \$7,850,000 in cash, being \$8 million less the \$150,000 deposit that had been already paid;
- \$2,727,273 in cash, which Teck elected to pay in lieu of the share component as provided for in the agreement;
- \$5,250,000 in cash, being the value of the Promissory Note that Teck elected to pay up front.

In addition, there remains a deferred payment of \$3,750,000 in cash due to Rox at the earlier of a Bankable Feasibility Study being completed on the project, or 6 years.

The total costs of the transaction are likely to be ~\$1 million, inclusive of fees which are potentially payable to other parties following Teck's decision to exercise its pre-emptive right.

Marindi has advised Rox that it was reserving its rights in relation to the sale and lodged a writ against the Company 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 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.

### **Bonya Copper Project, NT (Rox 51%, earning up to 70%)**

No field activity occurred on the project during the period and after a review, Rox has offered its interest in the project for sale or joint venture.

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

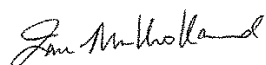
Since the end of the period Rox has completed the sale of the Reward project to Teck resulting in a total of \$15,827,273 paid to Rox. There remains a deferred payment of \$3,750,000 in cash due at the earlier of a Bankable Feasibility Study being completed on the project, or 6 years.

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

### **AUDITORS INDEPENDENCE DECLARATION**

Section 307C of the *Corporations Act 2001* requires our auditors, Ernst & Young, to provide the directors of Rox Resources Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is attached to the Independent Review Report to Members.

Signed in accordance with a resolution of the Directors.



**I. MULHOLLAND**

**Director**

Perth, Western Australia

Dated this 15 day of March 2017

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 (\$)	31 December 2015 (\$)
Other revenue	3	153,821	8,248
Corporate expenses		(771,677)	(307,441)
Occupancy and related expenses		(77,509)	(83,974)
Salaries, wages and superannuation		(268,669)	(284,073)
Exploration expenditure expensed		(302,045)	(814,114)
Share based payments to employees		(88,244)	(99,934)
Depreciation		(7,815)	(8,819)
<b>Loss before income tax</b>		<b>(1,362,138)</b>	<b>(1,590,107)</b>
Income tax expense		-	-
<b>Net Loss for the period after income tax</b>		<b>(1,362,138)</b>	<b>(1,590,107)</b>
<b>Other comprehensive income:</b>			
<b>Items that may be re-classified subsequently to profit or loss</b>			
Other comprehensive income for the period, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>(1,362,138)</b>	<b>(1,590,107)</b>
- Basic and diluted loss per share from operations attributable to the ordinary equity holders of the parent (cents)		(0.11)	(0.15)

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

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 December 2016 (\$)	30 June 2016 (\$)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	881,182	595,760
Receivables		54,513	145,772
Prepayments		19,980	3,179
Other financial assets		17,436	43,695
Non-current assets held-for-sale	6	387,000	-
<b>Total Current Assets</b>		<u>1,360,111</u>	<u>788,406</u>
<b>Non-Current Assets</b>			
Equipment	5	56,285	58,100
Capitalised exploration & evaluation	6	2,940,000	3,327,000
<b>Total Non-Current Assets</b>		<u>2,996,285</u>	<u>3,385,100</u>
<b>Total Assets</b>		<u>4,356,396</u>	<u>4,173,506</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		497,590	144,683
Deferred revenue		150,000	-
Provisions		111,081	103,074
<b>Total Current Liabilities</b>		<u>758,671</u>	<u>247,757</u>
<b>Total Liabilities</b>		<u>758,671</u>	<u>247,757</u>
<b>NET ASSETS</b>		<u>3,597,725</u>	<u>3,925,749</u>
<b>EQUITY</b>			
Issued capital	7	41,436,933	40,491,063
Reserves		2,299,892	2,211,648
Accumulated losses		(40,139,100)	(38,776,962)
<b>TOTAL EQUITY</b>		<u>3,597,725</u>	<u>3,925,749</u>

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

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Share Capital	Share Option Reserve	Accumulated (Losses)	Total
	(\$)	(\$)	(\$)	(\$)
<b>At 1 July 2016</b>	40,491,063	2,211,648	(38,776,962)	3,925,749
Profit/(Loss) for period	-	-	(1,362,138)	(1,362,138)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half year	-	-	(1,362,138)	(1,362,138)
<b>Transactions with owners in their capacity as owners</b>				
Issue of share capital	1,000,000	-	-	1,000,000
Share issue costs	(54,130)	-	-	(54,130)
Share-based payments	-	88,244	-	88,244
<b>Balance as at 31 December 2016</b>	<b>41,436,933</b>	<b>2,299,892</b>	<b>(40,139,100)</b>	<b>3,597,725</b>
<b>At 1 July 2015</b>	38,693,415	2,014,890	(36,290,277)	4,418,028
Profit/(Loss) for period	-	-	(1,590,107)	(1,590,107)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half year	-	-	(1,590,107)	(1,590,107)
<b>Transactions with owners in their capacity as owners</b>				
Issue of share capital	2,027,774	-	-	2,027,774
Share issue costs	(230,126)	-	-	(230,126)
Share-based payments	-	99,934	-	99,934
<b>Balance as at 31 December 2015</b>	<b>40,491,063</b>	<b>2,114,824</b>	<b>(37,880,384)</b>	<b>4,725,503</b>

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



# ROX RESOURCES LIMITED

ABN 53 107 202 602

## STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 \$	31 December 2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		3,195	8,248
Payments to suppliers and employees		(661,857)	(753,342)
Expenditure on mineral interests		(302,045)	(886,841)
<b>Net cash flows used in operating activities</b>		<u>(960,707)</u>	<u>(1,631,935)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from refundable deposits in connection with sale of assets		300,000	-
Payments for exploration leases		-	(2,300,000)
Payments for equipment	5	(6,000)	(2,468)
Security bonds (paid)/refunded		26,259	(17,836)
Transaction costs in connection with sale of assets		(20,000)	-
<b>Net cash flows from (used in) investing activities</b>		<u>300,259</u>	<u>(2,320,304)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of expenses)		945,870	1,797,648
<b>Net cash flows from financing activities</b>		<u>945,870</u>	<u>1,797,648</u>
Net increase (decrease) in cash and cash equivalents		285,422	(2,154,591)
Cash and cash equivalents at beginning of period		595,760	3,594,656
<b>Cash and cash equivalents at end of period</b>	4	<u>881,182</u>	<u>1,440,065</u>

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

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

#### **Basis of Preparation**

This financial report for the half year ended 31 December 2016 is a general purpose condensed financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2016 and considered together with any public announcements made by Rox Resources Limited during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

#### ***Adoption of New and Revised Standards and Interpretations***

The accounting policies adopted in the preparation of the half year report are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2016, except for the adoption of new standards and interpretations mandatory for annual periods beginning on or before 1 July 2016, noted below:

*AASB 2014-4 Clarification of Acceptable methods of Depreciation & Amortisation (Amendments to AASB 116 & 138)*

*AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvement Cycle 2012-14*

*AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*

*AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*

*AASB 2015-9 Amendments to Australian Accounting Standards – Scope & Application Paragraphs [AASB 8, AASB 133 & AASB 1057]*

The adoption of the above standards did not have a material effect on the financial position or performance of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### ***Going Concern***

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the period ended 31 December 2016 of \$1,362,138 (2015: \$1,590,107) and experienced net cash outflows from operating activities of \$960,707 (2015: \$1,631,935). At 31 December 2016, the Company had net current assets of \$601,440 (31 December 2015: \$1,333,590).

Notwithstanding the above, the Company completed the sale of the Reward project on 15 February 2017 on which it received a total cash consideration of \$15,827,273 from Teck Australia Pty Ltd for disposal of its 49% interest in the project. As a result of this event, the Directors believe the going concern basis of preparation for the 31 December 2016 interim financial report is appropriate.

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 2: OPERATING SEGMENTS

#### Identification of Reportable Segments

The Company operates within the mineral exploration industry within Australia.

The Company 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 executive management team currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards therefore there is no additional information to disclose.

The Statement of Financial Position and Statement of Comprehensive Income information received by the executive team 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.

	31 December 2016	31 December 2015
	\$	\$

### NOTE 3: OTHER REVENUE

Loss from ordinary activities before income tax expense includes the following revenue whose discussion is relevant in explaining the financial performance of the entity:

(a) Other revenue		
Interest revenue	3,821	8,248
Non-refundable deposit received from Marindi Metals Ltd	150,000	-
	<u>153,821</u>	<u>8,248</u>
	31 December 2016	30 June 2016
	\$	\$

### NOTE 4: CASH AND CASH EQUIVALENTS

For the purpose of the half-year Statement of Cash Flows, cash and cash equivalents are comprised of the following:

Cash at bank and in hand	<u>881,182</u>	<u>595,760</u>
--------------------------	----------------	----------------

### NOTE 5: EQUIPMENT

During the six months ended 31 December 2016, the Company purchased assets with a cost of \$6,000 (2015: \$2,468) and disposed of assets with a cost of Nil (2015: Nil) and a written down value of Nil (2015: Nil).

### NOTE 6: CAPITALISED EXPLORATION & EVALUATION

#### Current Assets

Non-current assets held-for-sale	<u>387,000</u>	<u>-</u>
----------------------------------	----------------	----------

#### Non-Current Assets

Areas of interest in exploration and evaluation phases	<u>2,940,000</u>	<u>3,327,000</u>
--	------------------	------------------

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

### NOTE 7: SHARE CAPITAL

	Shares	\$
Balance at 1 January 2016	1,180,725,015	40,491,066
Balance at 30 June 2016	<u>1,180,725,015</u>	<u>40,491,063</u>
Balance at 1 July 2016	1,180,725,015	40,491,063
Placement on 2 August 2016 at \$0.018 per share	55,555,556	1,000,000
Share Issue costs	-	(54,130)
Balance as at 31 December 2016	<u>1,236,280,571</u>	<u>41,436,933</u>

### NOTE 8: COMMITMENTS AND CONTINGENCIES

During the period Rox received an offer from Marindi Metals Limited ("Marindi") to purchase Rox's interest in the Reward Zinc project in the Northern Territory. The offer included the payment by Marindi of a \$150,000 non-refundable deposit and was subject to a pre-emptive right by Teck Australia Pty Ltd ("Teck"). The deposit has been recognised as income during the half-year ended 31 December 2016 (Note 3). In October 2016, Teck advised Rox that it would exercise its pre-emptive right in relation to the Reward project and the sale to Teck was completed in February 2017.

Marindi has advised Rox that it was reserving its rights in relation to the sale and lodged a writ against the Company 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. The matter is proceeding through the Supreme Court in the usual course. The parties have consented to orders timetabling the exchange of documents with the aim to attend a mediation conference.

There are no other changes to the commitments and contingencies disclosed in the most recent annual financial report.

### NOTE 9: EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the period Rox has completed the sale of the Reward project to Teck resulting in a total of \$15,827,273 paid to Rox. There remains a deferred payment of \$3,750,000 in cash due to Rox at the earlier of a Bankable Feasibility Study being completed on the project, or 6 years.

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

## **ROX RESOURCES LIMITED**

ABN 53 107 202 602

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

#### **NOTE 10: SHARE BASED PAYMENTS**

During the financial period 21,750,000 options were granted. The exercise price of the options of \$0.026 was a 50% premium to the 30 day VWAP for the 30 day period immediately prior to their issue date. One half of the options vest after 12 months with the balance vesting after 24 months. The fair value of the options granted is estimated at the date of grant using a binomial pricing model, taking into account the terms and conditions upon which the options were granted and was estimated using the following assumptions.

Exercise Price (cents)	2.6
Weighted average share price	1.5
Expected life (years)	2.95
Expected volatility (%)	100
Dividend yield (%)	-
Risk-free interest rate (%)	2.00

For the six months ended 31 December 2016 the Company recognised \$88,244 of share-based payments transactions expense in the statement of comprehensive income (2015: \$99,934).

#### **NOTE 11: RELATED PARTY TRANSACTIONS**

Coolform Investments Pty Ltd, a company in which Mr Dickson is a director and shareholder, received fees totalling \$79,200 (2015: \$79,200) for the provision of services.

During the financial period the Company paid fees totalling \$22,222 (including GST) (2015: \$ 63,140) 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 \$29,440 (including GST) (2015: \$15,959) from Azure Minerals Limited being reimbursement for the provision of office secretarial support.

All of the above mentioned related party transactions were entered into on arm's length commercial terms.

#### **NOTE 12: FINANCIAL INSTRUMENTS**

As at 31 December 2016, all financial instruments are recognised at carrying amounts that are equal to their fair values.

## ROX RESOURCES LIMITED

ABN 53 107 202 602

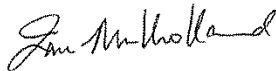
### DECLARATION BY DIRECTORS

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

In the opinion of the directors

- (a) The financial statements and notes of Rox Resources Limited are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the financial position as at 31<sup>st</sup> December 2016 and the performance for the half year ended on that date of the Company.
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**I. MULHOLLAND**

**Director**

Perth, Western Australia

Dated this 15 day of March 2017

To the members of Rox Resources Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rox Resources Limited, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rox Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

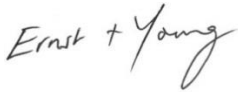
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rox Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



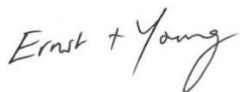
T S Hammond  
Partner  
Perth  
15 March 2017



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

As lead auditor for the review of Rox Resources Limited for the half-year ended 31 December 2016, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



T S Hammond  
Partner  
15 March 2017