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ROX ACQUIRES REWARD TENEMENT FROM RIO TINTO

Rox Resources Limited (ASX: RXL) (“Rox”) is pleased to announce the acquisition of the Reward tenement, which has a number of identified zinc-lead prospects, from Rio Tinto Limited subsidiary North Mining Limited (“Rio”).

Located just 20km south of the McArthur River (HYC) zinc-lead mine, the Reward tenement covers an area of 379km² in the Northern Territory. Reward is a sediment hosted (SEDEX) zinc-lead project with direct analogies to the McArthur River deposit that has a resource 157 Mt @ 11.3% Zn, 4.9% Pb, 49 g/t Ag (Xstrata 2006 Annual Report)

Rox’s Managing Director, Mr Ian Mulholland, said “the tenement is a great fit for the Company and shows tremendous potential”.

“Reward is an ideal project for us to utilise our zinc-lead expertise and will complement our Pha Luang and Lennard Shelf projects,” said Mr Mulholland.

Rox’s initial drilling program is planned to focus on the Myrtle prospect, located within Reward. Historical wide spaced drilling (approximately 1km apart) at Myrtle has intersected low-iron sphalerite and galena. Best intercepts were:

- **21.0 metres** grading 5.2% Zn, 1.4% Pb from 216.0 metres depth,
- **6.7 metres** grading 5.7% Zn, 1.8% Pb from 473.5 metres depth, and
- **21.3 metres** grading 2.1% Zn, 0.3% Pb from 240.6 metres depth.

“The geological similarities to the world class McArthur River mine and the potential size of the Myrtle prospect reinforces our optimism for early exploration success. TEM surveying, soil sampling and geologic interpretation indicates good potential for shallower, near surface mineralisation. In addition to the Myrtle prospect, there are a number of other prospects that require exploration follow up. Very limited drilling has been undertaken elsewhere on the project area” said Mr Mulholland.

The acquisition agreement is between Rox and North and initially involves a two year option to purchase period during which Rox has agreed to carry out a minimum work programme of 1,200 metres of drilling and make an option payment to North of A$50,000. In addition, Rox plans to carry out geophysical surveys and multi-element geochemical sampling.

Should Rox exercise the option to purchase, then it will acquire a 100% interest in the Reward tenement subject to a cash acquisition payment to North of A$1/tonne based on the Mineral Resources identified at the time a decision to mine is made. North will also have a clawback entitlement (see Appendix).

Rox plans to commence drilling in the second quarter of 2008 after the wet season in North Australia and once the appropriate work approvals are received.

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About Rox Resources

Rox Resources (ASX: RXL) is an emerging Australian exploration company focusing on zinc-lead deposits, particularly deposits of the Mississippi Valley Type (MVT). MVT zinc-lead deposits are known across the world and usually occur in “districts”, providing some 35% of the world’s zinc-lead resources. Notable MVT districts and/or deposits include the Lennard Shelf and Admiral Bay in NW Australia, Navan (Ireland), Mehdiabad (Iran), Reocin (Spain), Fankou (China) and the Mississippi Valley area of the USA.

Rox owns a 60% interest in the Pha Luang zinc-lead sulphide project in Laos which it believes has the potential to become a large new zinc-lead district. The project area covers a 20km² mining concession area and contains more than 20 MVT zinc-lead prospects. Rox is the first explorer to apply modern techniques to the area. Mineralisation is widespread with zinc oxides and lead sulphides outcropping in various places along a strike length of over 10km.

Rox has been successful at defining mineralisation at a number of prospects in the Pha Luang project, with over 9,000 metres of drilling conducted so far. A number of very strong drill targets, and extensions to known mineralisation remain untested. Rox is now among several Australian mining companies enjoying success in Laos where the Government has stated its intentions to embrace mining as a priority industry.

Rox is accustomed to, and comfortable with operating in Laos, and maintains a fully staffed exploration office in the Lao capital, Vientiane, to support the Pha Luang project.

Rox also recently announced an option to joint venture a large 2,600km² holding of ground on the Lennard Shelf in Western Australia. The Lennard Shelf is a known MVT province with past production, and has a mineral resource endowment of about 40 million tonnes at about 10% zinc equivalent grade. There is an extensive exploration and research database that Rox plans to use to efficiently and effectively explore the area, building upon its MVT expertise as manager of the proposed JV.

Rox continues to actively review potential new opportunities, particularly zinc-lead projects in Australia and South East Asia.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Mulholland is a full time employee 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.
APPENDIX

Introduction

The Reward zinc-lead project is located 20km south of the McArthur River (HYC) zinc-lead mine in the Northern Territory (Figure 1). It is a sedimentary hosted (SEDEX) zinc-lead project with direct analogies to the McArthur River deposit (current resource 157 Mt @ 11.3% Zn, 4.9% Pb, 49 g/t Ag; Xstrata Annual Report 2006).

The Reward tenement, EL 10316, covers an area of 378.6km² or 115 sub-blocks. Mineralisation occurs at a number of locations on the tenement as listed below and shown in Figure 2, all within the regional McArthur Basin.

Two types of zinc-lead mineralisation are targeted:

- Stratiform mineralisation (hosted by the HYC Pyritic Shale Member of the Barney Creek Formation), eg. the HYC deposit, and the W-Fold, Emu Plains, Berjaya, Mitchell Yard, Myrtle and Barney Creek prospects.
- Stratabound mineralisation (epigenetic breccia and open space infill within dolostones, with MVT affinities), eg. the Cooley I, II, III, Ridge I, II, Cooks, Cox, Squib, Turnbull, and Reward deposits, and the Bald Hills, Barneys, and Buffalo Lagoon prospects.

Figure 1: Reward Project Location

Myrtle Prospect

The Myrtle prospect was located in 1966 by Carpentaria Exploration Company ("CEC"). Hole MY1 intersected 35.7m @ 0.6% Zn, 0.9% Pb and 6 g/t Ag, and the prospective Barney Creek Formation was recorded to be over 100 metres thick.

Further work then included geological mapping, rock chip sampling, gravity geophysics and further drilling (holes MY2 – MY5), resulting in the delineation of a number of subsidiary sub-basins within the Myrtle area (Figure 3).

No further work occurred until 2004 – 2005, after North Mining Limited acquired the ground. Drilling of holes MY6 and MY7 by former JV partner Anglo-American Plc intersected low-grade zinc mineralisation, similar to that drilled previously in hole MY1.

It wasn’t until hole MY8 was drilled, and intersected a wide interval of moderate grade mineralisation, that it was realised that holes MY6 and 7 were not deep enough, and so they were deepened, subsequently intersecting mineralisation towards the base of the HYC Pyritic Shale Member.

Holes MY10 and MY12 have also intersected medium economic grade mineralisation, and shown that the prospective mineralised horizon is widespread (Figure 4).
A plan of the existing drilling at the Myrtle prospect is shown in Figure 5. The early holes drilled in 1966 by CEC, MY1 and 2, were not deep enough to intersect the mineralised horizon.

![Figure 2: Reward EL Geology and Prospect Locations](image)

The spacing between current effective drill holes is quite wide, generally > 750 metres, and up to 1km apart. Anglo-American reported in 2005 that they had defined the limits of a major hydrothermal system of at least 3.3km x 1.6km (> 5.3km²), recommending detailed infill drilling, in particular to the north and south of holes MY6 and MY10 to define the highest grade central part of the system.

Drill intersects now include:

- **MY6**: 6.7m @ 5.7% Zn, 1.8% Pb from 473.5m,
- **MY7**: 8.6m @ 2.7% Zn, 0.3% Pb from 387.4m,
- **MY8**: 21.3m @ 2.1% Zn, 0.3% Pb from 240.6m,
- **MY10**: 21.0m @ 5.2% Zn, 1.4% Pb from 216.0m, and
- **MY12**: 6.0m @ 2.0% Zn, 0.2% Pb from 191.0m.

Low-iron sphalerite and galena mineralisation is recorded in 3-5 lenses. The mineralised horizon is estimated at 5-25 metres thick, but is currently only defined by very limited and wide-spaced drilling.

Weak, late channel TEM responses from a survey conducted by Anglo-American (see Figure 3 for line location) may suggest mineralisation at about 300m depth. Soil and rock-chip anomalies indicate areas where the mineralised horizon may be approaching the surface indicating near surface potential, but more work is required.
Figure 3: Myrtle Prospect Geology and Drill Hole Locations

Figure 4: Myrtle Prospect Drill Section Looking North
The McArthur River (HYC) zinc-lead deposit is one of the largest in the world. Current mineral resources (Xstrata Annual Report 2006) are 157 Mt @ 11.3% Zn, 4.9% Pb and 49 g/t Ag.

It is an example of a sediment hosted (SEDEX) zinc-lead deposit, which are known from around the world. Sedex deposits are widely distributed in Northern Australia in the Mount Isa – McArthur River region, eg. Mount Isa, Hilton, George Fisher, Lady Loretta, Dugald River, Century, and McArthur River.

Deposit features include:

- Fine-grained galena and sphalerite, with pyrite and pyrrhotite.
- Good geophysical targets (eg. EM, IP, gravity, conductivity).
- Generally there is either a iron-manganese or a silicate alteration halo.
- Syn-sedimentary and replacement ore textures.
- Comprise 50% of the world’s zinc and lead reserves, and 25% of world zinc and lead production.

**Reward Project Similarities to McArthur River (HYC) Deposit Model**

McArthur River Basin rocks occur widely within the Reward EL 10316. The Barney Creek Formation and associated units is widespread.

A schematic east-west cross-section through the McArthur River (HYC) deposit is shown on Figure 6. It shows the HYC deposit occurring at or near the base of the HYC Pyritic Shale Member and comparison with Figure 4 shows a close similarity to the Myrtle prospect. The proximity of faults (eg. Western, Emu Fault) is regarded as being important in the genesis of the HYC and associated (Ridge, Cooley) deposits. Similar faults have been interpreted at Myrtle (see Figure 3).
Other prospects in the Reward EL, including Berjaya, Buffalo Lagoon, and Barney Creek Sub-basin, show similarities to the HYC deposit model also, although exploration is at an early stage.

**Figure 6: Schematic E-W Cross-Section through the McArthur River (HYC) Deposit (after Williams 1978)**

### Exploration Programme

An exploration programme by Rox, budgeted at $500,000, is planned for 2008 comprising drilling, soil and rock chip sampling and geophysics. This will be commenced once work approvals are received from the Traditional Owners and after the North Australian wet season, likely to be in the second quarter of 2008.

### Tenement and Legal Information

The Reward EL 10316 was granted to North Mining Limited on 22 July 2002 and is current to 21 July 2008. It may then be renewed for two further periods of two years, if expenditure requirements are met. Currently, total expenditure amounts to $1,086,677 against a commitment of $230,000 over the life of the tenement.

A Native Title Agreement, dated 29 October 2002, has been entered into between North, Local Aboriginal Groups, and the Northern Land Council. It provides a process for work programme approvals.

The Agreement between Rox and North entails:

a) An option fee of A$50,000 for two years,

b) A commitment for Rox to complete 1,200 metres of drilling within the first 12 months,

c) Exercise of the option by entering into a Sale and Purchase Agreement, terms of which include:
   i. An acquisition payment of A$1/tonne (indexed for CPI) of the Mineral Resource defined in a BFS, payable upon decision to mine.
   ii. A 2% Net Smelter Royalty to North.
   iii. A clawback entitlement to North to acquire a 60% interest in the tenement by repayment to Rox of four (4) times Rox’s expenditure (with a minimum repayment of A$25 million), triggered by either, the definition of a Mineral Resource worth more than A$5 billion, or completion of an Order of Magnitude Study, or the commencement of a Pre-feasibility or a Feasibility Study.
iv. North also has an option to increase its interest to 80% in the tenement by free carry of Rox to completion of a Bankable Feasibility Study.