

20 October 2017

Quarterly Report

For the period ending 30 September 2017

Highlights

- **Collurabbie Nickel-Copper-PGE-Gold Project, WA**
 - Maiden Inferred Mineral Resource of **573,000 tonnes at 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49 g/t Pd, 0.85 g/t Pt** announced for the Olympia Deposit, open at depth and along strike.
 - Strong nickel-copper-platinum-palladium and gold anomalies defined by aircore drilling at three new prospects over significant strike lengths.
 - Follow-up RC drilling scheduled to commence in late October.
- **Mt Fisher Gold Project, WA**
 - Review of past exploration data underway. Aircore drilling planned.
- **Corporate**
 - Cash on hand at end of quarter was \$12.9 million.
 - Several new project opportunities reviewed

Introduction

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

Collurabbie Nickel-Copper-PGE-Gold Project, WA

Rox announced a maiden Inferred Mineral Resource for the Olympia deposit during the September quarter (ASX:RXL 18 August 2017), with **573,000 tonnes grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49 g/t Pd, 0.85 g/t Pt** at a 1% Ni cut-off grade. This maiden resource compliments the Mineral Resource of 50,600t of contained Ni at 2.5% Ni (ASX:RXL 5 February 2016) that the Company has established at Fisher East, which is 70km west of Collurabbie (Figure 2). The Olympia deposit contains close to 10,000 tonnes of contained nickel, with

significant copper, and the company also expects that the cobalt, platinum and palladium will add significant value.

The Company also completed an aircore drilling program at Collurabbie during the quarter (ASX:RXL 10 October 2017). The drilling program comprised 104 holes for 5,427 metres and tested several targets (Figure 3). Stand out results were from the new Olympia North and Ortus prospects (Figure 4), which included the following intercepts:

Olympia North

- **24m @ 0.38% Ni, 0.17% Cu, 126ppb Pt, 235ppb Pd** from 28m in hole CXAC013, including **8m @ 0.50% Ni, 0.29% Cu, 228ppb Pd and 317ppb Pd** from 36m
- **32m @ 0.60% Ni, 0.36% Cu, 273ppb Pt, 405ppb Pd** from 4m in hole CXAC086, including **20m @ 0.70% Ni, 0.40% Cu, 305ppb Pd and 464ppb Pd** from 8m
- **8m @ 0.40% Ni, 0.24% Cu, 175ppb Pt, 247ppb Pd** from 40m in hole CXAC090

The results from Olympia North are located along a 300m strike length over a strong magnetic structure, similar to that at the Olympic deposit.

Ortus

- **24m @ 0.56% Ni, 0.12% Cu, 178ppb Pt, 212ppb Pd** from 16m in hole CXAC008, including **12m @ 0.74% Ni, 0.19% Cu, 309ppb Pd and 315ppb Pd** from 20m
- **24m @ 0.56% Ni, 0.04% Cu, 78ppb Pt, 84ppb Pd** from 16m in hole CXAC046, (hole did not reach target depth)

The strong Ni results from Olympia North and Ortus, along with the high Cu, Pt and Pd results, indicates the potential for nickel sulphide mineralisation at depth. Therefore, the Company is planning to undertake RC drilling at Olympia North and Ortus as soon as possible.

Naxos

Drilling to test gold targets was also undertaken at the Naxos prospect during the quarter (Figure 6). These holes were following up an historic RC hole, CLD172, that contained 2m @ 2.4g/t Au. A gold anomaly at least 600m in strike length has now been defined and further drilling is warranted. All samples are currently 4m composites and will be re-split to 1m intervals for further assay. Selected results from the program are outlined below:

- **4m @ 0.15g/t Au** from 44m in hole CXAC020
- **4m @ 0.25g/t Au** from 44m in hole CXAC031
- **4m @ 0.58g/t Au** from 52m in hole CXAC033
- **4m @ 0.21g/t Au** from 32m, and **4m @ 0.22g/t Au** from 40m in hole CXAC020
- **4m @ 0.22g/t Au** from 80m in hole CXAC038

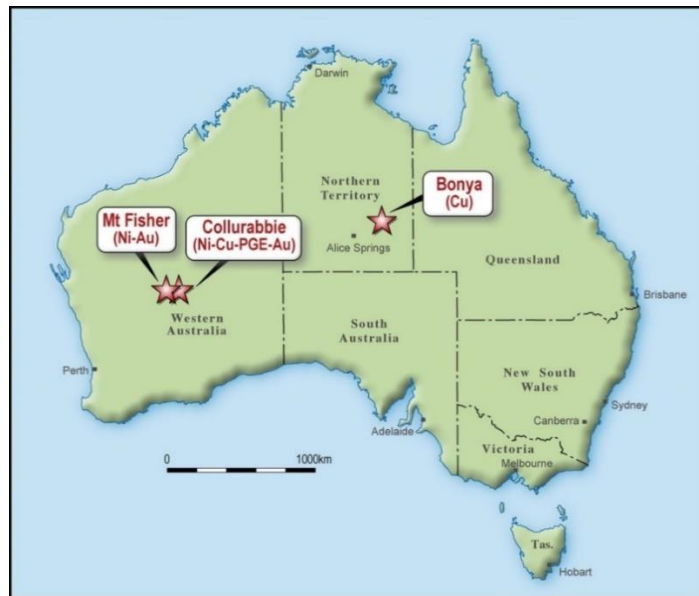


Figure 1: Rox Project Location Map



Figure 2: Collurabbie Project Location Map

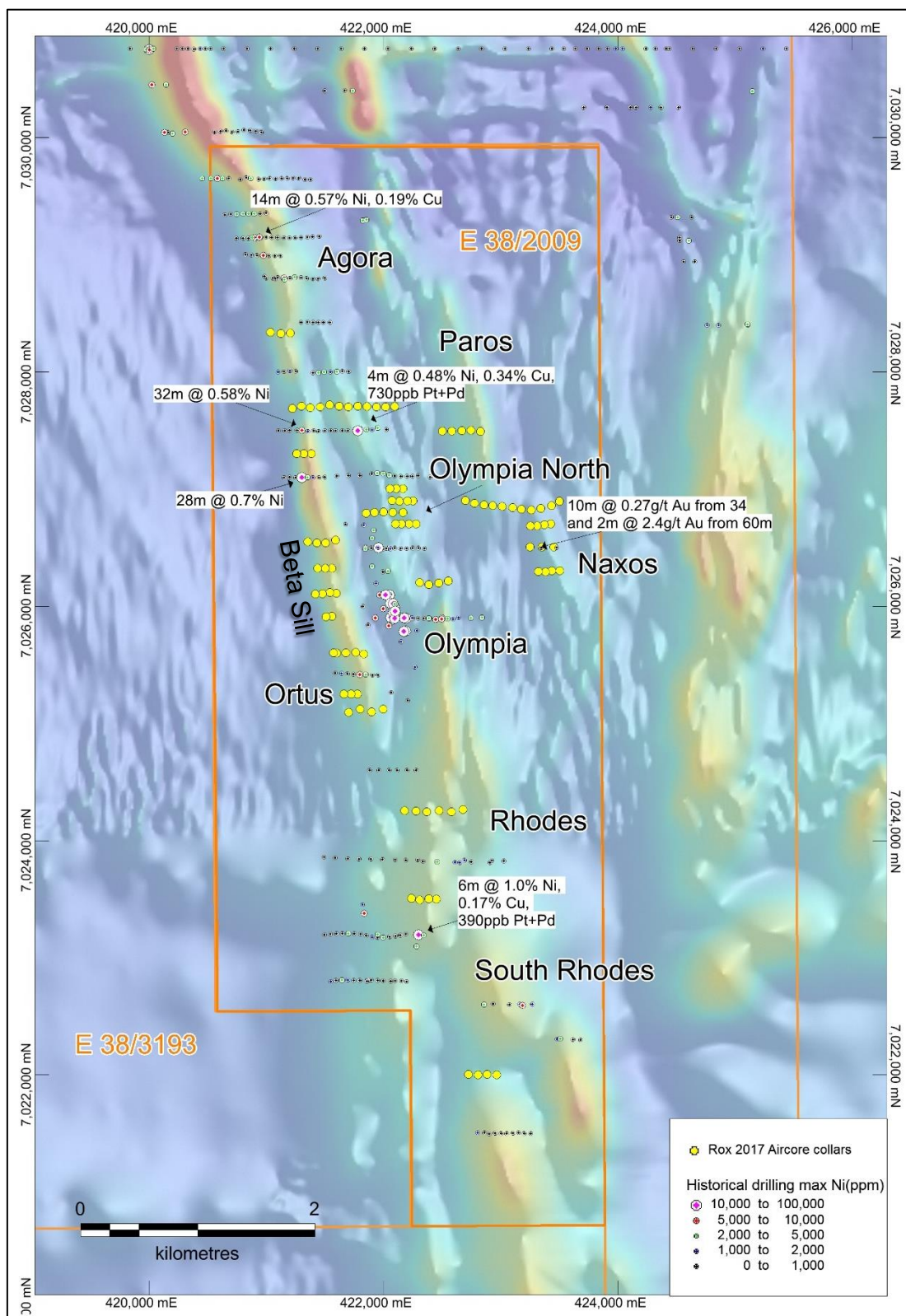


Figure 3: Drilling and Prospect Plan

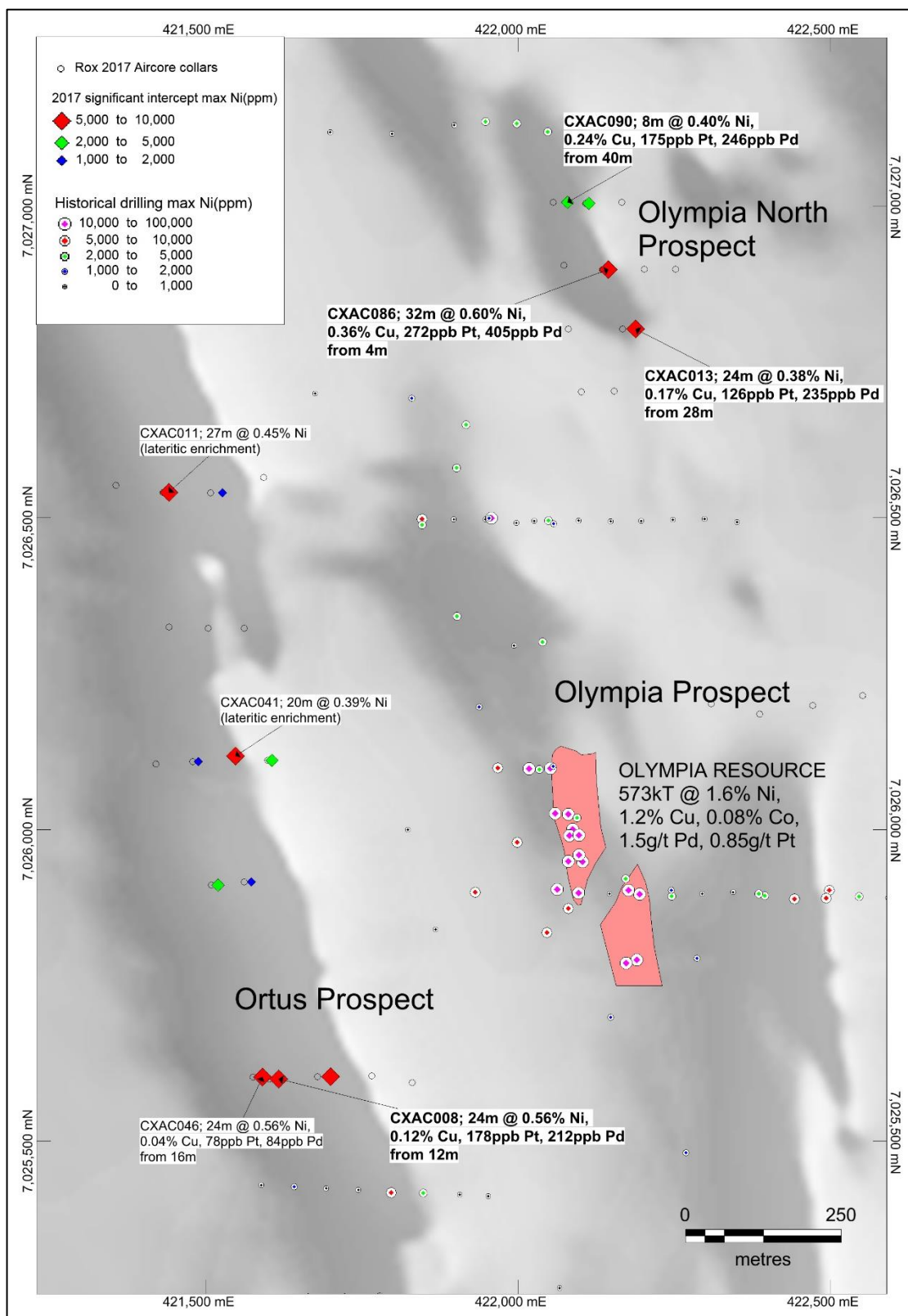


Figure 4: Olympia North – Ortus Prospects Drilling Plan

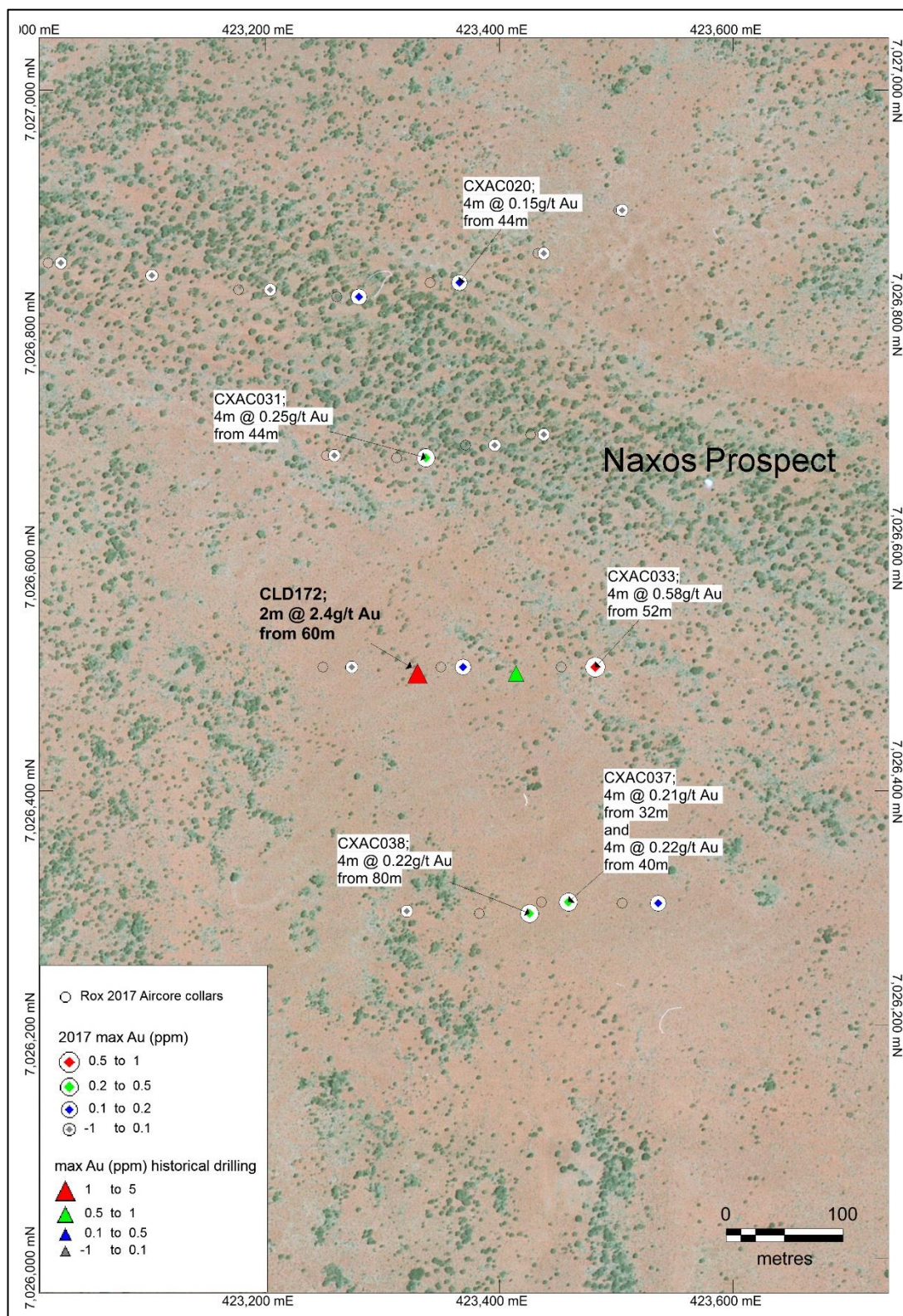


Figure 5: Naxos Prospect Drilling Plan

Mt Fisher Gold Project, WA

After meeting its minimum expenditure requirement of \$1 million by the 30 June 2017, Doray Minerals Limited ("Doray") advised the Company that it did not wish to continue with its farm-in to the Mt Fisher gold project, and withdrew from the project. Rox is reviewing the zones of interest generated from Doray's aircore drilling, which included an intersection of 3m @ 1.35 g/t Au (Figure 6) within a mineralised zone of 8m @ 0.59g/t Au (from 28m to EOH).

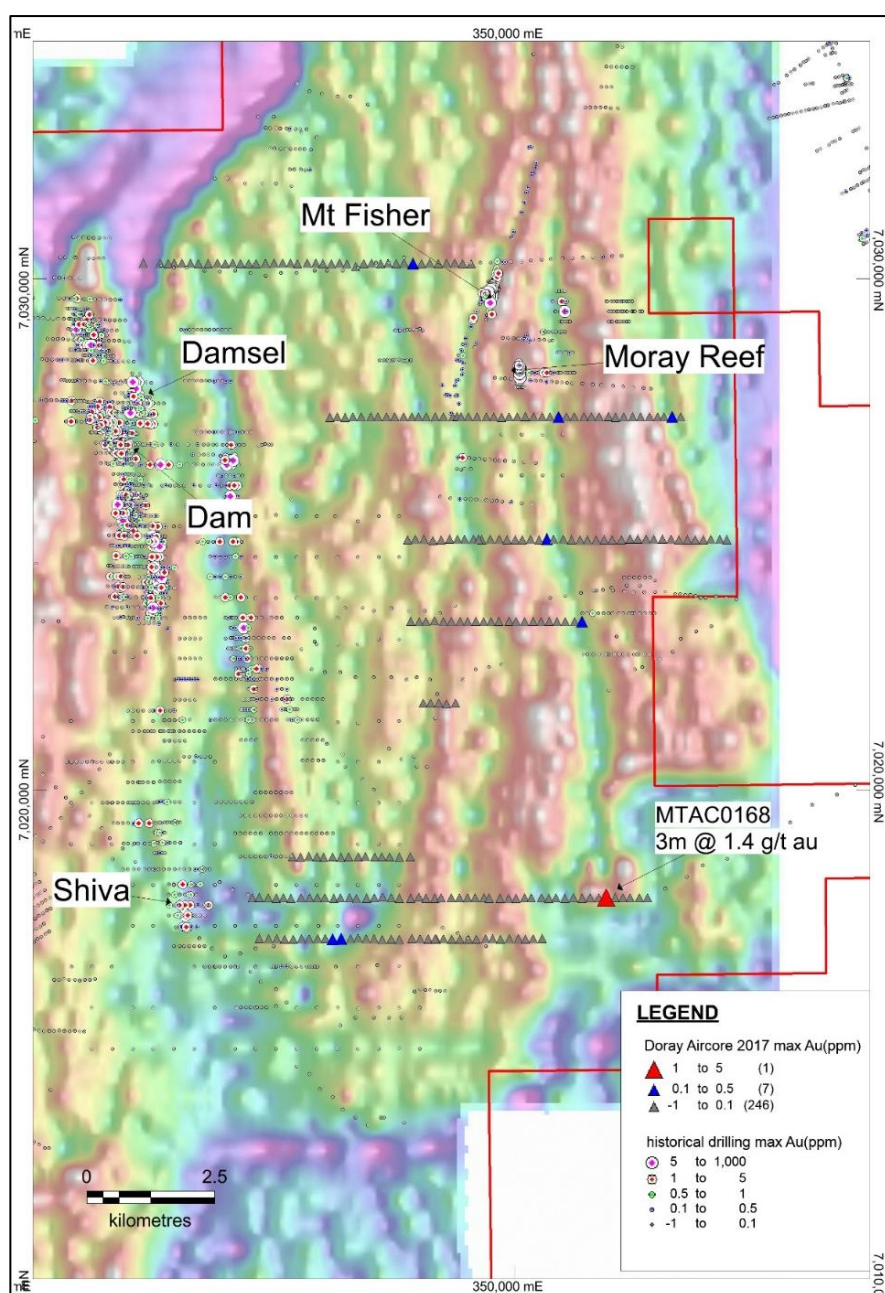


Figure 6: Mt Fisher Gold drilling showing Doray Aircore holes and historical drilling over detailed residual gravity image

Fisher East Nickel Project, WA

No significant activity.

Bonya Copper Project, NT

No significant activity.

Marindi Litigation

Litigation brought by Marindi Metals against Rox has been withdrawn. A settlement payment of \$300,000 cash (equivalent to the Break Fee) has been made to Marindi by Rox (ASX:RXL 27 July 2017).

Corporate

As of 30 September 2017, the Company's cash balance was \$12.9 million.

Rox continues to evaluate new project opportunities in light of its strong financial position.

Dated this 20th day of October 2017

Signed on behalf of the Board of Rox Resources Limited



IAN MULHOLLAND
Managing Director

Competent Person Statements:

Exploration Results

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.

Resource Statements

The information in this report that relates to nickel Mineral Resources for the Collurabbie project was reported to the ASX on 18 August 2017 (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 18 August 2017, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 18 August 2017 continue to apply and have not materially changed.

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 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.

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 **2.0Mt grading 2.5% Ni** reported at 1.5% Ni cut-off (Indicated Mineral Resource: 1.9Mt grading 2.5% Ni, Inferred Mineral Resource: 0.1Mt grading 2.3% Ni) comprising massive and disseminated nickel sulphide mineralisation, and containing **50,600 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. A JORC 2012 Inferred Mineral Resource of **573,000t grading 1.63% Ni, 1.19% Cu, 0.082% Co, 1.49g/t Pd, 0.85g/t Pt** has been defined at 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 @ 2.4g/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

Name of entity

ROX RESOURCES LIMITED

ABN

53 107 202 602

Quarter ended ("current quarter")

30-Sep-17

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) exploration & evaluation	(327)	(327)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(157)	(157)
	(e) administration and corporate costs	(224)	(224)
1.3	Dividends received	-	-
1.4	Interest received	20	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - JV Advances	-	-
1.9	Net cash from / (used in) operating activities	(688)	(688)
2	Cash flows from investing activities		
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 (Litigation Settlement)	(300)	(300)
2.6	Net cash from / (used in) investing activities	(300)	(300)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
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	-	-

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,883	13,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(688)	(688)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(300)	(300)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,895	12,895

5	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	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	592	732
5.2	Call deposits	12,303	13,151
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)	12,895	13,883

6 Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

160

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

Includes salaries, fees, bonus payments, superannuation to executive and non-executive directors.

7 Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

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

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

n/a

8 Financing facilities available

Add notes as necessary for an understanding of the position

**Total facility
amount at
quarter end
\$A'000**

**Amount drawn
at quarter end
\$A'000**

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.

n/a

9	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	436
9.2	Development	-
9.3	Production	-
9.4	Staff costs	144
9.5	Administration and corporate costs	161
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	741

10	Changes in tenements (items 2.1(b) & 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	E53/1219	All Minerals	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E38/3193 P38/4256 P38/4264	All Minerals All Minerals All Minerals	0% 0% 0%	100% 100% 100%

Refer to Annexure 1 for full list of mining tenements

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:


(Company secretary)

Date: 20 October 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%
	E53/1250	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	100%
	P38/4256	All Minerals	100%
	P38/4264	All Minerals	100%
Bonya, NT	EL 29599	All Minerals	100%
	EL 29701	Cu, Pb, Zn, Au, Ag, Bi, PGE'S	51%

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