

ROX RESOURCES LIMITED

ABN 53 107 202 602

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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Corporate Directory

Directors:

Mr Stephen Dennis
Non-Executive Chairman

Mr Ian Mulholland
Managing Director

Mr Brett Dickson
Finance Director

Chief Executive Officer:

Mr Alex Passmore

Company Secretary:

Mr Brett 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 George's 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 George's 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:

1,258,780,571 Fully paid ordinary shares

Un-Listed Securities:

21,850,000 2.7 cent, 30 November 2018 options

21,750,000 2.6 cent, 30 November 2019 options

22,250,000 2.4 cent, 30 November 2020 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

ROX RESOURCES LIMITED

ABN 53 107 202 602

DIRECTOR'S REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Your directors submit the financial report on the consolidated entity (referred to as the Group) consisting of the Parent entity, Rox Resources Limited (Rox or the Company), and the entity it controlled at the end of, or during, the half-year ended 31 December 2018.

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 (retiring 30 April 2019)

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 2018 was \$1,298,619 (2017: \$1,495,124). This loss was influenced by expenditure on exploration activities during the period totalling \$943,065 (2017: \$766,040) and total corporate expenses of \$232,657 (2017: \$347,702).

Projects

Fisher East Nickel Project, WA

Early in the period and in response to the continued improvement in nickel sentiment, the Company conducted an update to the Fisher East Scoping Study (ASX:RXL 10 October 2018) that was originally completed in 2015 (ASX:RXL 17 February 2015).

The results of the study demonstrated a project with strong economic and technical credentials at a consensus projected forward nickel price. In addition, there would be a significant upside to project economics with an increased resource base. The high-level study considered two primary development scenarios, building a stand-alone concentrator or toll milling at a nearby operation. In both development scenarios considered, capital costs were relatively low, and cash operating costs were competitive. Capital and operating costs are estimated to +/- 35% at this Scoping Study level.

The "Concentrator Case" is based on building a concentrator plant on site with all associated infrastructure, including mine access, haul road, accommodation etc.

The "Toll Mill Case" is based on hauling run of mine (ROM) ore to a nearby processing plant for toll-treatment, and would require negotiation of an agreement with a third-party processing facility, which has not yet occurred.

Key observations and conclusions of the updated Scoping Study were:

- The "Resources in the Mining Plan", drawn from the total Mineral Resource of 4.2 Mt @ 1.9% Ni (ASX: RXL 5 February 2016) are ~2.9 Mt @ 1.7% Ni fully diluted. Approximately 96% of the Resources in the Mining Plan are drawn from Indicated Resources.
- A production rate of 500,000 tonnes per annum (tpa) was the optimum case, and produced the best capital and operating efficiencies
- Up-front capital costs are estimated to +/- 35%, with mid-points being:
 - ~A\$87 million for the Concentrator Case, with additional ~A\$38 million sustaining capital over the life of mine.
 - ~A\$48 million for the Toll Mill Case, with additional ~A\$37 million sustaining capital over the life of mine.

- More analysis needs to be undertaken on metallurgy and processing, logistics and infrastructure, which would occur at the pre-feasibility stage.
- The Concentrator Case produces a more attractive financial return than the Toll Mill Case, but the Toll Mill Case has a lower up-front capital requirement, which may be easier to finance.
- The addition of further resources is likely to improve project economics.

Key Project Metrics

Mineral Resources	Cut-Off Grade 1.0% Ni		
	Tonnes (Mt)	Grade % Ni	Ni Tonnes (kt)
Indicated	3.7	1.9	71,000
Inferred	0.5	1.5	7,000
Total	4.2	1.9	78,000
Resources in the Mining Plan	Cut-Off Grade 1.2% Ni		
	Tonnes (Mt)	Grade % Ni	Ni Tonnes (kt)
Indicated	2.6	1.8	48,000
Inferred	0.3	0.8	2,100
Total	~2.9	~1.7	~50,100
Capital Costs	Concentrator Case		Toll Mill Case
Pre-Production	~A\$87m		~A\$48m
Sustaining	~A\$38m		~A\$37m
Production Parameters			
Life of Mine	~6 years		~6 years
Processing	~500ktpa		~500ktpa
Nickel in concentrate - LOM tonnes	~44,100		~44,100
Nickel in concentrate - Annual tonnes	~7,300		~7,300
Financials			
Nickel Price	US\$7.50/lb		US\$7.50/lb
Exchange Rate (AUD:US)	0.75		0.75
C1 Cash Costs	~A\$4.20/lb (US\$3.15/lb)		~A\$4.60/lb (US\$3.45/lb)
All in Sustaining Costs	A\$4.80/lb (US\$3.60/lb)		A\$5.10lb (US\$3.83/lb)
Net Cash Flow (pre-tax)	~A\$146m		~A\$102m
Pre-tax NPV₁₀	~A\$79m		~A\$58m
IRR	~44%		~55%
Payback	~2.3 years		~1.8 years

All estimates are +/- 35%

Collurabbie Nickel-Copper-PGE-Gold Project, WA

High grade assay results from the Group's diamond drilling campaign at the Collurabbie nickel project, located 230km north of Laverton in Western Australia continued to be received (ASX:RXL 18 October 2018).

The overall aim of the diamond drilling program was:

- To obtain samples of mineralisation from the Olympia deposit for metallurgical test work, and
- To test RC and aircore anomalies at the Olympia North prospect.

Significant results received from Olympia in hole CXDD004 were:

- 1.8m @ 1.27% Ni, 2.81% Cu, 0.09% Co, 5.97 g/t Pt+Pd from 90.4m, and
- 6.05m @ 1.31% Ni, 1.06% Cu, 0.12% Co, 2.25 g/t Pt+Pd from 97.95m,

including 1.9m @ 2.25% Ni, 2.02% Cu, 0.07% Co, 3.21 g/t Pt+Pd from 97.95m

Another 2.1m interval of massive sulphides was also intersected in hole CXDD001 at Olympia from 203.2m depth. The whole sample will be used for a metallurgical test, so the assay from this interval will be determined during this test work.

Two diamond holes were drilled at the Olympia North prospect, co-funded by the Western Australian Government. The target ultramafic unit seems to have thinned at depth below the aircore and RC drilling anomalies. In CXDD002 immediately above the mineralised ultramafic unit, a thick porphyry unit was intersected and may be associated with potential remobilisation of Ni-Cu sulphides. Downhole electromagnetic surveys were completed.

Best results were:

- 0.2m @ 0.48% Ni, 0.25% Cu, 0.02% Co, 0.53 g/t Pt+Pd from 167.3m in hole CXDD002, and
- 0.2m @ 0.91% Ni, 0.81% Cu, 0.03% Co, 0.62 g/t Pt+Pd from 202.9m in hole CXDD003

Current JORC 2012 Mineral Resources at Collurabie total 573,000t @ 1.6% Ni, 1.2% Cu, 0.082% Co and 2.3 g/t Pt+Pd, for contained tonnes of 9,170 Ni, 6,880t Cu, 470t Co, 42,400oz Pt+Pd (ASX:RXL 18 August 2017).

Mt Fisher Gold Project, WA

Market conditions during the quarter deteriorated significantly and the Helios Gold IPO (ASX:RXL 10 May 2018) did not proceed as planned. The Bronzewing South option (ASX:RXL 8 August 2018) will expire in early February, and the other party has declined to extend the option. Consequently, a decision was made to cease the IPO process at this time.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Mr Alex Passmore was appointed Chief Executive Officer effective 1 February 2019. 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 Group, the results of those operations or the state of affairs of the Group 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
Managing Director
 Perth, Western Australia
 Date: 28 February 2019

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 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 gold Mineral Resources for the Mt Fisher project was reported to the ASX on 11 July 2018 (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 28 March 2018, and that all material assumptions and technical parameters underpinning the estimates in the announcement of 28 March 2018 continue to apply and have not materially changed.

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.

ROX RESOURCES LIMITED

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 (\$)	31 December 2017 (\$)
Other revenue	3	565,705	244,016
Corporate expenses		(232,657)	(347,702)
Occupancy and related expenses		(100,963)	(86,125)
Salaries, wages and superannuation		(259,242)	(271,315)
Exploration expenditure expensed		(943,065)	(766,040)
Preparation costs for IPO of Helios Gold		(285,405)	-
Share based payments to employees		(17,865)	(258,358)
Loss on investments		(16,827)	-
Depreciation		(8,300)	(9,600)
Loss before income tax		(1,298,619)	(1,495,124)
Income tax expense		-	-
Net Loss for the period after income tax		(1,298,619)	(1,495,124)
Other comprehensive income:			
Items that may be re-classified subsequently to profit or loss			
Other comprehensive income for the period, net of tax		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,298,619)	(1,495,124)
- Basic and diluted loss per share from operations attributable to the ordinary equity holders of the parent (cents)		(0.10)	(0.12)

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

ROX RESOURCES LIMITED

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31 December 2018 (\$)	30 June 2018 (\$)
ASSETS			
Current Assets			
Cash and cash equivalents	4	7,903,065	10,378,334
Receivables		21,074	47,988
Prepayments		24,310	3,589
Total Current Assets		7,948,449	10,429,911
Non-Current Assets			
Security Deposit		-	13,271
Equipment		44,301	37,701
Receivables	6	2,530,058	2,411,371
Capitalised exploration & evaluation	7	3,937,607	3,898,887
Financial investments		331,826	-
Total Non-Current Assets		6,843,792	6,361,230
Total Assets		14,792,241	16,791,141
LIABILITIES			
Current Liabilities			
Trade and other payables		117,016	860,189
Provisions		120,306	95,279
Total Current Liabilities		237,322	955,468
Total Liabilities		237,322	955,468
NET ASSETS		14,554,919	15,835,673
EQUITY			
Issued capital	8	41,766,933	41,766,933
Reserves		2,676,122	2,658,257
Accumulated losses		(29,888,136)	(28,589,517)
TOTAL EQUITY		14,554,919	15,835,673

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Share Capital	Share Option Reserve	Accumulated (Losses)	Total
	(\$)	(\$)	(\$)	(\$)
At 1 July 2018	41,766,933	2,658,257	(28,589,517)	15,835,673
Profit/(Loss) for period	-	-	(1,298,619)	(1,298,619)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half year	-	-	(1,298,619)	(1,298,619)
Transactions with owners in their capacity as owners				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
Share-based payments	-	17,865	-	17,865
Balance as at 31 December 2018	41,766,933	2,676,122	(29,888,136)	14,554,919
At 1 July 2017	41,436,933	2,483,768	(25,349,571)	18,571,130
Profit/(Loss) for period	-	-	(1,495,124)	(1,495,124)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half year	-	-	(1,495,124)	(1,495,124)
Transactions with owners in their capacity as owners				
Issue of share capital	225,000	-	-	225,000
Share issue costs	-	-	-	-
Acquisition of Collurabbie Project	105,000	(105,000)	-	-
Share-based payments	-	258,358	-	258,358
Balance as at 31 December 2017	41,766,933	2,637,126	(26,844,695)	17,559,364

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31 December 2018 \$	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		112,915	87,439
Payments to suppliers and employees		(607,246)	(669,266)
Expenditure on mineral interests		(985,999)	(766,166)
Net cash flows used in operating activities		(1,480,330)	(1,347,993)
CASH FLOWS FROM INVESTING ACTIVITIES			
Preparation costs for IPO of Helios Gold		(354,590)	-
Litigation settlement and costs		-	(335,875)
Payments for exploration leases		(638,720)	-
Payments for equipment	5	(14,900)	-
Security bonds (paid)/refunded		13,271	-
Net cash flows from (used in) investing activities		(994,939)	(335,875)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of expenses)		-	-
Net cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(2,475,269)	(1,683,868)
Cash and cash equivalents at beginning of period		10,378,334	13,883,065
Cash and cash equivalents at end of period	4	7,903,065	12,199,197

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

ROX RESOURCES LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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

1.1 Basis of Preparation

The interim consolidated financial statements of the Group for the half year ended 31 December 2018 are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim consolidated 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 Group 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 2018 and considered together with any public announcements made by Rox Resources Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards effective as of 1 July 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

From 1 July 2018 the Group had applied, for the first time, AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 9 Financial Instruments (AASB 9). The nature and effect of these changes are disclosed below.

Adoption of AASB 15

AASB 15 and its related amendment supersede AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applied to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services a customer.

At 1 July 2017 and at 1 July 2018 it was determined that the adoption of AASB 15 had no impact on the Group.

Adoption of AASB 9

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Group has adopted AASB 9 retrospectively in accordance with the standard. Changes in accounting polices resulting from the adoption of AASB 9 did not have a material impact on the Company's consolidated financial statements on transition or during the half-year.

AASB 9 largely retains the existing requirements of AASB 139 for the classification and measurement of financial liabilities, however it eliminates the previous AASB 139 categories for financial assets held to maturity, loans and receivables and available for sale financial assets. Under AASB 9, on initial recognition a financial asset is classified as measured at either:

- (a) Amortised cost;
- (b) Fair Value through Other Comprehensive Income ("FVOCI") - debt investment;
- (c) FVOCI - equity investment; or
- (d) Fair Value through Profit or Loss ("FVTPL").

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

1.2 New standards, interpretations and amendments adopted by the Group (continued)

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that it initially measured at the transaction price) is initially measured at fair value plus, for an item not a FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on recognition is recognised in profit or loss.

As of 30 June 2018 and 31 December 2018, the Group's financial instruments consist of cash and cash equivalents, receivables, financial investments and trade and other payables.

Cash and cash equivalents and other receivables previously designated as receivables under AASB 139 are now classified as amortised cost under AASB 9. The trade and other payables are designated as other financial liabilities, which are measured at amortised cost.

Financial investments are measured at FVTPL and comprise derivative instruments and quoted equity instruments which the Group has not irrevocably elected, at initial recognition, to classify at FVOCI.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss ("ECL") model to be applied as opposed to an incurred credit loss model under AASB 139. The ECL model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to the lifetime expected credit loss. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. In accordance with AASB 9, where the directors concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL. The result of the assessment is as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139	New measurement category under AASB 9
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Receivables	Loans and receivables	Financial assets at amortised cost
Trade and other payables	Financial Liability at amortised cost	Financial liability at amortised cost

The change in classification has not resulted in any re-measurement adjustment at 1 July 2018.

ROX RESOURCES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 2: OPERATING SEGMENTS

Identification of Reportable Segments

The Group operates within the mineral exploration industry within Australia.

The Group 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 Group has only one operating segment, being exploration, and the segment operations and results are the same as the Group results.

	31 December 2018	31 December 2017
	\$	\$

NOTE 3: OTHER REVENUE

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

(a) Other revenue		
Interest revenue	98,365	136,119
Finance income	118,687	107,897
Gain on sale of Bonya project	348,653	-
	<u>565,705</u>	<u>244,016</u>

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:

	31 December 2018	30 June 2018
	\$	\$
Cash at bank and in hand	<u>7,903,065</u>	<u>10,378,334</u>

NOTE 5: EQUIPMENT

During the six months ended 31 December 2018, the Group purchased assets with a cost of \$14,900 (2017: Nil).

NOTE 6: RECEIVABLES

The non-current receivable represents the present value of a \$3,750,000 receivable due from Teck Australia Pty Ltd which is due and payable by 15 February 2023.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018	30 June 2018
	\$	\$

NOTE 7: CAPITALISED EXPLORATION & EVALUATION

Non-Current Assets

Areas of interest in exploration and evaluation phases	3,937,607	3,898,887
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Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

NOTE 8: SHARE CAPITAL

	Shares	\$
Balance at 1 January 2018	1,258,780,571	41,766,933
Balance at 30 June 2018	1,258,780,571	41,766,933
Balance at 1 July 2018	1,258,780,571	41,766,933
Issue	-	-
Share Issue costs	-	-
Balance as at 31 December 2018	1,258,780,571	41,766,933

NOTE 9: COMMITMENTS AND CONTINGENCIES

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

NOTE 10: EVENTS AFTER THE BALANCE SHEET DATE

Mr Alex Passmore was appointed Chief Executive Officer effective 1 February 2019. No matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NOTE 11: SHARE BASED PAYMENTS

There were no share-based payments during the period (2017: 22,500,000 shares issued).

For the six months ended 31 December 2018 the Group recognised \$17,865 (2017: \$258,358) of share-based payments expense in the statement of comprehensive income from a transaction that occurred in December 2016.

NOTE 12: RELATED PARTY TRANSACTIONS

Coolform Investments Pty Ltd, a company in which Mr Dickson is a director and shareholder, received fees totalling \$90,750 (2017: \$79,200) for the provision of services during the financial period

During the financial period the Group paid fees totalling \$64,345(including GST) (2017: \$52,893) to Azure Minerals Limited, a company of which Mr Dickson is an officer, for the provision of office accommodation. The Group also received fees totalling \$24,090 (including GST) (2017: \$25,048) from Azure Minerals Limited being reimbursement for the provision of office secretarial support.

NOTE 13: FINANCIAL INSTRUMENTS

As at 31 December 2018, all financial instruments are recognised at carrying amounts that are approximately equal to their fair values.

ROX RESOURCES LIMITED

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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 consolidated entity's financial position as at 31st December 2018 and the performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
- (c) 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

DATE: 28 February 2019

Independent auditor's review report to the members of Rox Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Rox Resources Limited (the Company) and its subsidiaries (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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*.

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 control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

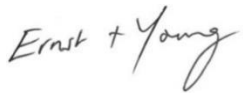
Auditor's responsibility

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, anything has come to our attention that causes us to 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 Group's consolidated financial position as at 31 December 2018 and its consolidated financial 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 the Group, 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*.



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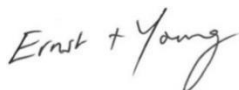
T S Hammond
Partner
Perth
28 February 2019

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 2018, 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.

This declaration is in respect of Rox Resources Limited and the entity it controlled during the financial period.



Ernst & Young



T S Hammond
Partner
28 February 2019