

Quarterly Report

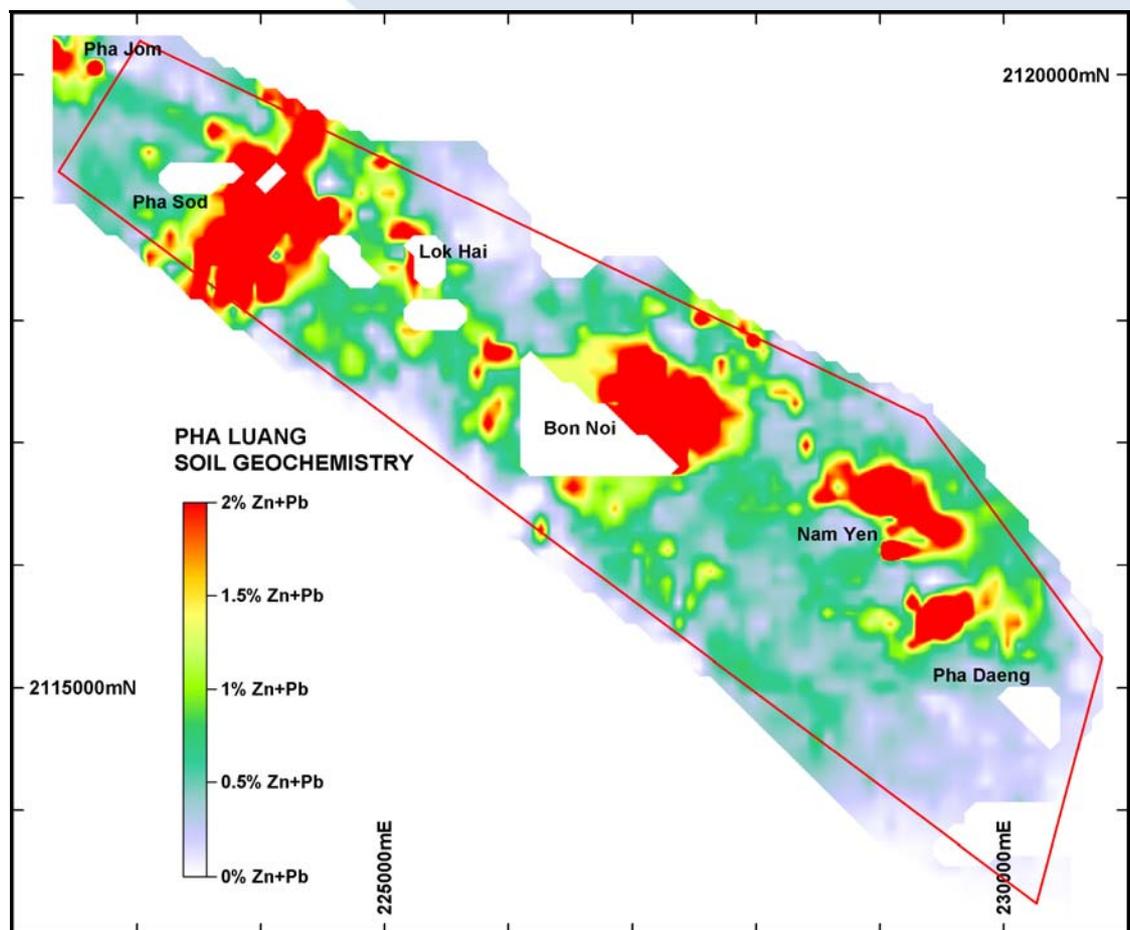
For the period ended 31 December 2007

HIGHLIGHTS

- ◆ Soil sampling and mapping programme recommenced at Pha Luang zinc-lead project in Laos
- ◆ Acquisition of Reward zinc-lead project in the Northern Territory, where previous drilling has returned McArthur River style mineralisation of 21 metres grading 5.2% Zn, 1.4% Pb
- ◆ Meetings held with Traditional Owners to approve work programmes for Lennard Shelf Project
- ◆ Rox positions itself with strategic holdings in three of the world's most prospective zinc-lead mineralised provinces

PHA LUANG ZINC-LEAD PROJECT, LAOS

Soil sampling and geological mapping programmes recommenced at the Pha Luang project during the quarter. A number of new and significant soil anomalies have been located, and the sampling programme at 160 x 80 metre spacing has now virtually covered the whole tenement. Infill soil sampling at 80 x 40 metre spacing is planned as appropriate.



“A number of new and significant soil anomalies have been located at Pha Luang”

Figure 1: Pha Luang Soil Sampling

The soil anomaly at Pha Sod has been demonstrated to be over 1.5 x 1.0 km in extent, grading > 2% Zn+Pb, and a zone of oxide and sulphide mineralisation extending several hundred metres on surface has been mapped.

“the extension of the anomaly suggests that the mineralising system could be much larger at Nam Yen than previously indicated”

A new soil anomaly has been discovered providing a northern extension at Nam Yen, and suggesting that the Nam Yen and Pha Luang 1 anomalies are all part of one much larger system. Nam Yen is the prospect where Rox has previously drilled ore grade zinc-lead mineralisation, and the extension of the anomaly suggests that the mineralising system could be much larger at Nam Yen than previously indicated.

A significant new zone of sulphide outcrop has also been mapped at the Pha Daeng prospect with accompanying soil anomalism.

Areas shown in white on Figure 1 are where no soil sampling is possible due to steep limestone cliffs.

Accompanying the soil sampling, geological mapping has been placing the geology, geochemistry and topography into a context that should enable drilling targets to be identified and prioritised.

The company is still actively progressing its Foreign Investment Licence application in Laos, previously put on hold for the whole of 2007 because of the Lao Government's review of the mining sector. Rox's interest in the Pha Luang project is currently secured under contract law by a fully signed and government approved joint venture agreement with its Lao partners.

Information from government and advisory sources indicate that the Foreign Investment Licence application, which will allow Rox to create a new joint venture company in Laos with direct ownership of the Pha Luang project, is now progressing through the system following the completion of the mining sector review.

REWARD ZINC-LEAD PROJECT, AUSTRALIA

In early January 2008, Rox announced that it had acquired an option to purchase the Reward project tenement, prospective for McArthur River style zinc and lead deposits in the world class McArthur River Basin in the Northern Territory.

“Direct analogies to the McArthur River deposits”

Located 20km south of the McArthur River (HYC) zinc-lead mine, the Reward tenement covers an area of 379km². 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)

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

“Best drill intercept at the Myrtle prospect was 21 metres grading 5.2% Zn, 1.4% Pb”

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 the company's 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.

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 to 60% should a resource valued at more than A\$5 billion be defined, by payment to Rox of four times expenditure at that point, with a minimum of A\$25 million. North can clawback additional interest to 80% by free carry of Rox to completion of bankable feasibility study.

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



Figure 2: Reward Project Location

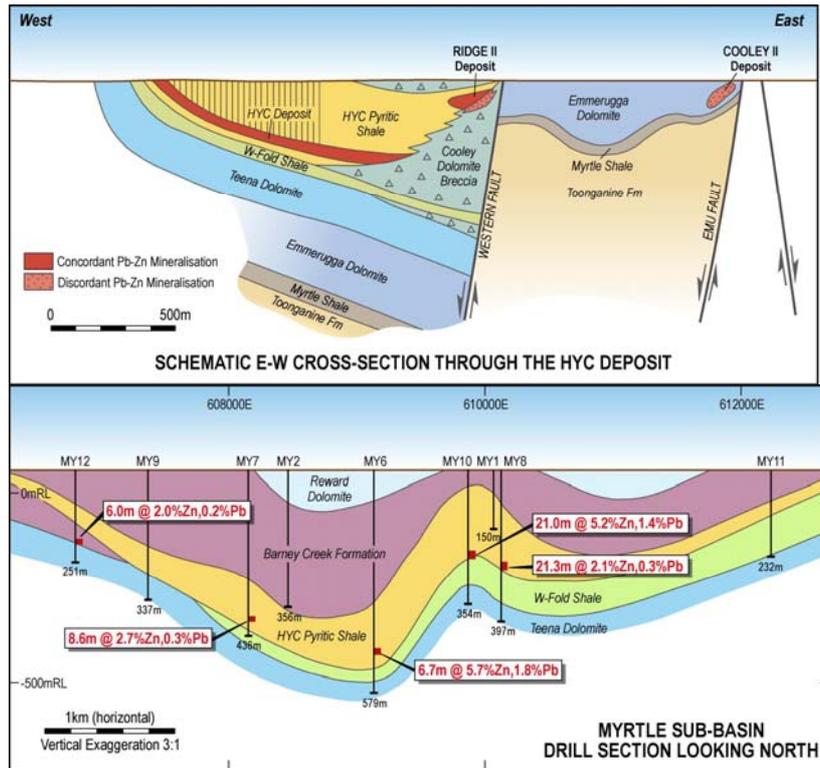


Figure 3: Comparison of HYC Deposit with Myrtle Prospect

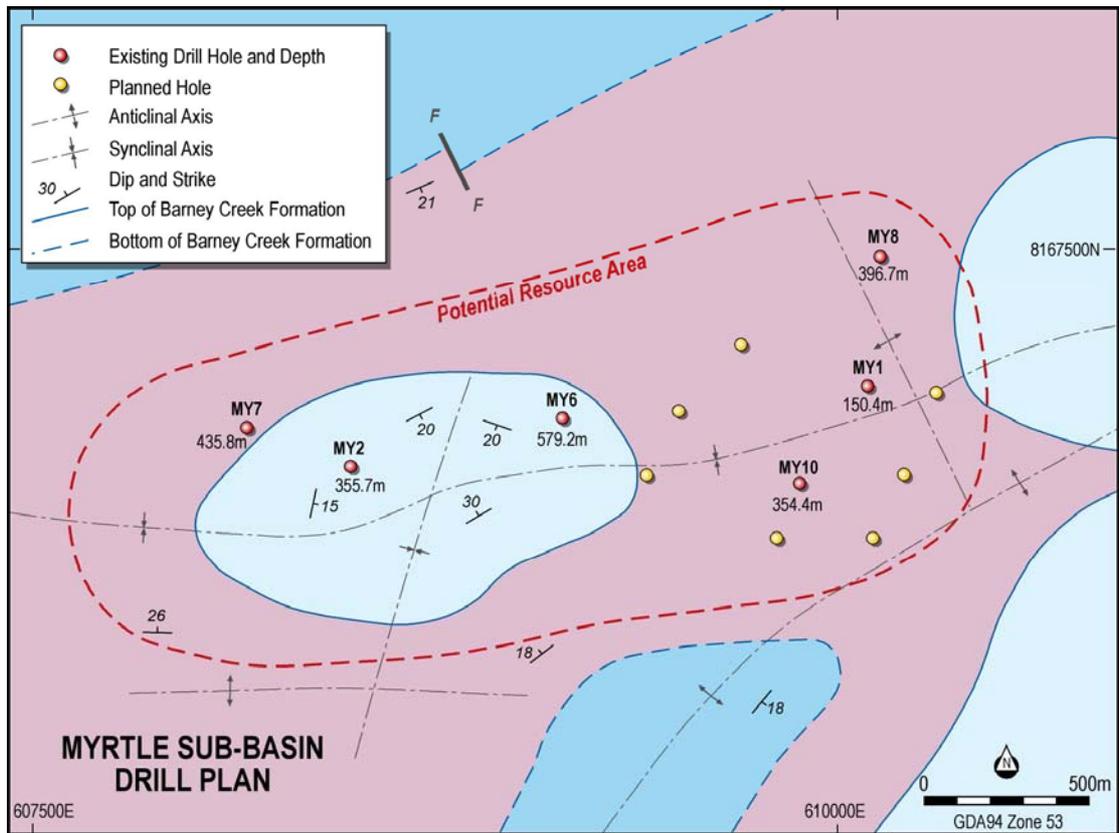


Figure 4: Myrtle Drill Plan

LENNARD SHELF ZINC-LEAD PROJECT, AUSTRALIA

“The Lennard Shelf is a proven zinc-lead mineral province with a mineral endowment of about 40 million tonnes of zinc-lead resources”

Rox is manager of the Lennard Shelf Joint Venture (with Avalon Minerals) and initially has a 12 month option during which it will conduct exploration for zinc-lead mineralisation similar in style to the known Lennard Shelf deposits.

The Lennard Shelf is a proven zinc-lead mineral province with a mineral endowment of about 40 million tonnes of zinc-lead resources grading about 10% zinc equivalent. Previous exploration work over the joint venture tenement area has produced an extensive database that will enable Rox to rapidly progress exploration.

Avalon, who have an excellent relationship with the Kimberly Land Council (“KLC”), have already advanced negotiations for land access, and field work will commence as soon as heritage clearances are received from the traditional owners. A meeting was held with the Traditional Owners during the quarter and heritage clearance surveys are due for completion in the first quarter of 2008.

It is anticipated field work will commence in the second quarter of 2008, with an initial programme of soil sampling to identify prospective areas.



Figure 5: Lennard Shelf Project Location

WORK PLANS

“The Company continues to actively review potential new projects, especially zinc-lead, or copper-gold projects in Australia or South East Asia”

Pha Luang Project, Laos

The current programme of geological mapping and soil sampling will continue. This has been successful in locating a number of new prospects and generating drill targets in the past. In addition, a number of very strong drill targets, such as Pha Daeng, Pha Sod and extensions to Nam Yen remain untested.

Rox continues to actively progress its Foreign Investment Licence application in Laos.

Reward Project, Northern Territory

After native title land clearances and drilling approvals have been obtained from the Northern Land Council and NT Government, a program of infill diamond drilling will commence at the Myrtle prospect, probably during the second quarter of 2008. Regional assessment of the other prospects within the tenement will commence.

Lennard Shelf Project, Western Australia

Once land clearances have been obtained from the Traditional Owners and Kimberley Land Council, a program of regional soil sampling will commence, probably in the second quarter of 2008.

FINANCIAL

At the end of the December 2007 quarter, Rox had 57,875,333 shares, 12,400,000 unlisted options on issue and cash of \$2.3 million.

Dated this 30th day of January 2008.

Signed on behalf of the Board of Rox Resources Limited.



IAN MULHOLLAND
Managing Director

Directors & Management

Jeff Gresham – Chairman
Ian Mulholland – Managing Director
Michael Blakiston – Non Executive Director
Brett Dickson – CFO & Company Secretary

Issued Capital

57.9M shares
12.4M unlisted options

Top Shareholders

Ivernia Inc. 7.9%
Directors & Assoc 7.4%
Deep Yellow 3.5%

FOR FURTHER INFORMATION CONTACT:

Ian Mulholland, Managing Director
Tel: (08) 6380 2966

About Rox Resources

Rox Resources (ASX: RXL) is an emerging Australian exploration company focussing on zinc-lead deposits, particularly deposits of the Mississippi Valley Type (MVT) and Sedimentary Exhalative Type (SEDEX). MVT and SEDEX zinc-lead deposits are known across the world and usually occur in "districts", providing some 85% 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. Notable SEDEX districts include the Mount Isa and McArthur Basins in northern Australia, Sullivan and Howard's Pass (Canada), Red Dog (USA), Rampura Agucha (India) and Aguilar (Argentina).

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 has 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.

The Reward project in the Northern Territory covers 379km², and is Rox's first SEDEX project. There is potential at the Myrtle prospect for a McArthur River style deposit to be delineated, where thick drill intercepts of prospective stratigraphy carrying significant zinc-lead grades have already been made. TEM surveying, soil sampling and geologic interpretation indicates the potential for shallow near surface mineralisation. Other prospects in the tenement area are at an early stage.

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 5B
Mining Exploration Entity Quarterly Report

Name of entity

ROX RESOURCES LIMITED

ACN or ARBN

107 202 602

Quarter ended ("current quarter")

December 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter A\$'000	Year to Date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(302)	(1,104)
(b) development	-	-
(c) production	-	-
(d) administration	(203)	(504)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	44	97
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Security bonds	-	-
Net Operating Cash Flows	(461)	(1,511)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(50)	(50)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(50)	(50)
1.13 Total operating and investing cash flows (carried forward)	(511)	(1,561)

1.13 Total operating and investing cash flows (brought forward)	(511)	(1,561)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of costs)	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(511)	(1,561)
1.20 Cash at beginning of quarter/year to date	2,805	3,855
1.21 Exchange rate adjustments to 1.20	-	-
1.22 Cash at end of quarter	2,294	2,294

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	83
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

<i>Nil</i>

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
Total	300

Reconciliation Of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	167	25
5.2 Deposits at call	2,127	2,780
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,294	2,805

Changes in interests in mining tenements

Nil.

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>	-			
7.2 Changes during quarter	-			
7.3 Ordinary securities	57,875,333	57,875,333		
7.4 Changes during quarter - Issued	-			
7.5 Convertible debt securities <i>(description and conversion factor)</i>	-			
7.6 Changes during quarter	-			
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expires</i>
	5,250,000	Nil	\$0.20	31 January 2009
	2,500,000	Nil	\$0.675	12 July 2009
	1,700,000	Nil	\$0.35	30 Nov 2009
	950,000	Nil	\$0.35	31 May 2010
	2,000,000	Nil	\$0.35	30 Nov 2010
7.8 Issued during quarter	100,000	Nil	\$0.35	30 Nov 2009
	200,000	Nil	\$0.35	30 Nov 2010
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 30th January 2008



Company Secretary

Print Name: Brett Dickson