

Quarterly Report

For the period ended 31 December 2008



HIGHLIGHTS

- ◆ 38 million tonne Inferred Resource at the Myrtle deposit grading 4.2% Zn, 1.0% Pb, containing 1.6 million tonnes of zinc metal and 0.4 million tonnes of lead metal.
- ◆ 15 million tonne higher grade core to the above resource grading 5.5% Zn, 1.5% Pb.
- ◆ Memorandum of Understanding signed with a Chinese company to acquire 80% of the Myrtle project for \$12.5 million cash.
- ◆ Fully underwritten renounceable Rights Issue announced to raise \$720,000.



Work being undertaken at Myrtle Prospect, Northern Territory

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MYRTLE ZINC-LEAD PROJECT, AUSTRALIA

Mineral Resource

On 7 October 2008 Rox announced a maiden JORC compliant Inferred mineral resource for Myrtle of:

- ♦ **38 million tonnes grading 4.2% Zn, 1.0% Pb, at a 3% Zn + Pb cut-off.**

The mineral resource contains a significant amount of zinc and lead metal (1.6 million tonnes Zn and 0.4 million tonnes Pb) and would rank in the top 10 of deposits of its type in Australia (Table 1 and Figure 1).

At a higher cut-off grade of 5% Zn + Pb the resource contains a higher grade core of:

- ♦ **15 million tonnes grading 5.5% Zn, 1.5% Pb.**

The mineral resource is limited by available drilling (Figures 2 and 3) and should increase significantly in size with further drilling, especially the area of untested soil anomaly shown in Figure 2.

Table 1: Giant Sedex Zinc Deposits in Australia

Deposit	Mt Ore *	Mt Zn + Pb
McArthur River	227	30.4
Mount Isa	150	19.5
Hilton	120	20.3
George Fisher	107	17.7
Century	95	14.1
Dugald River	48	6.8
Cannington	44	7.0
Myrtle	38	2.0
Lady Loretta	14	3.1
Pegmont	9	1.0

* Based on published pre-mining resources as listed in Leach et al, 2000, Economic Geology 100th Anniversary Volume

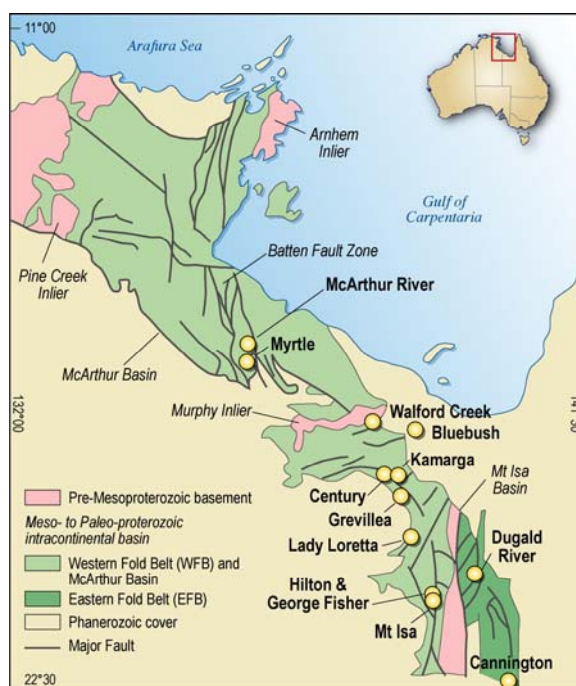


Figure 1: Mount Isa – McArthur Basin Region

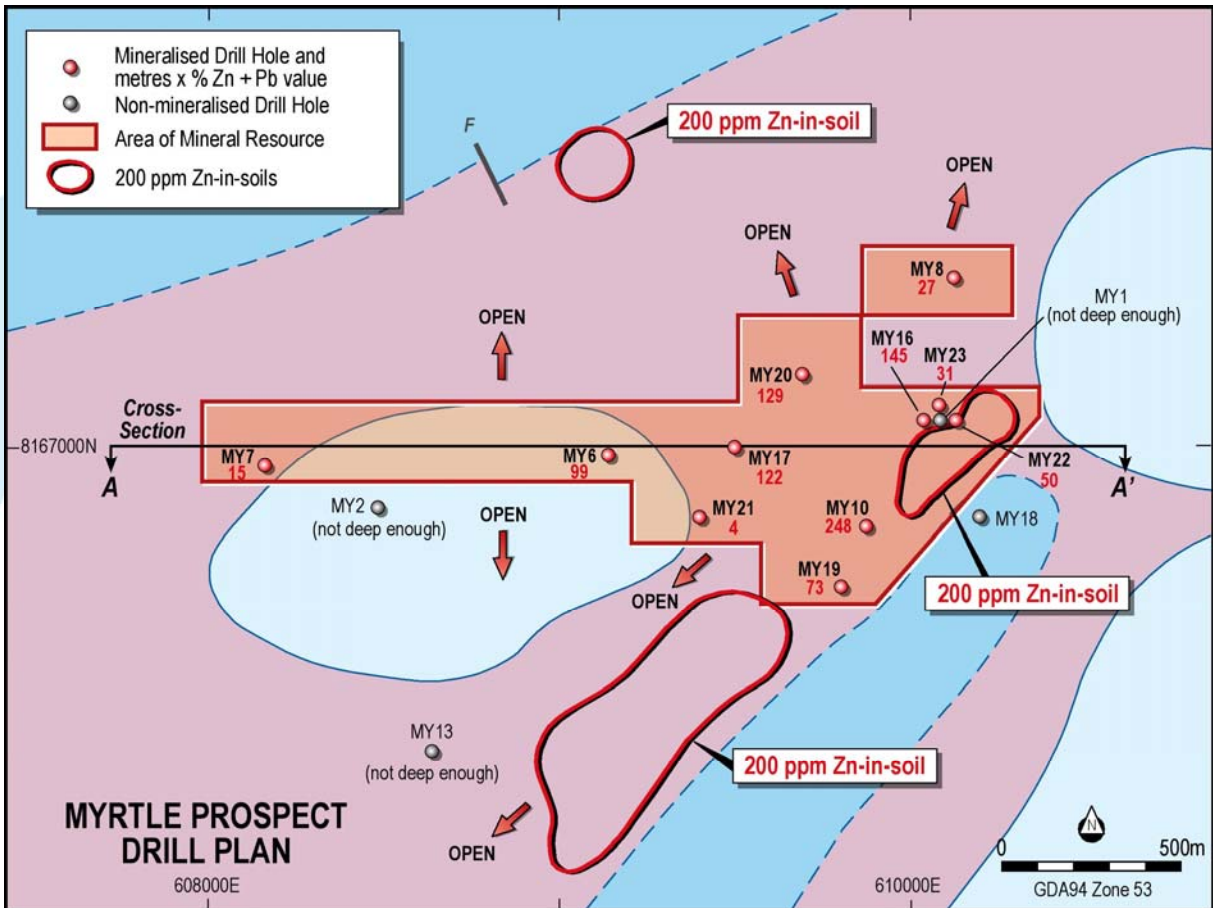


Figure 2: Myrtle Prospect Drill Plan, showing interpreted geology, IP and soil anomalies

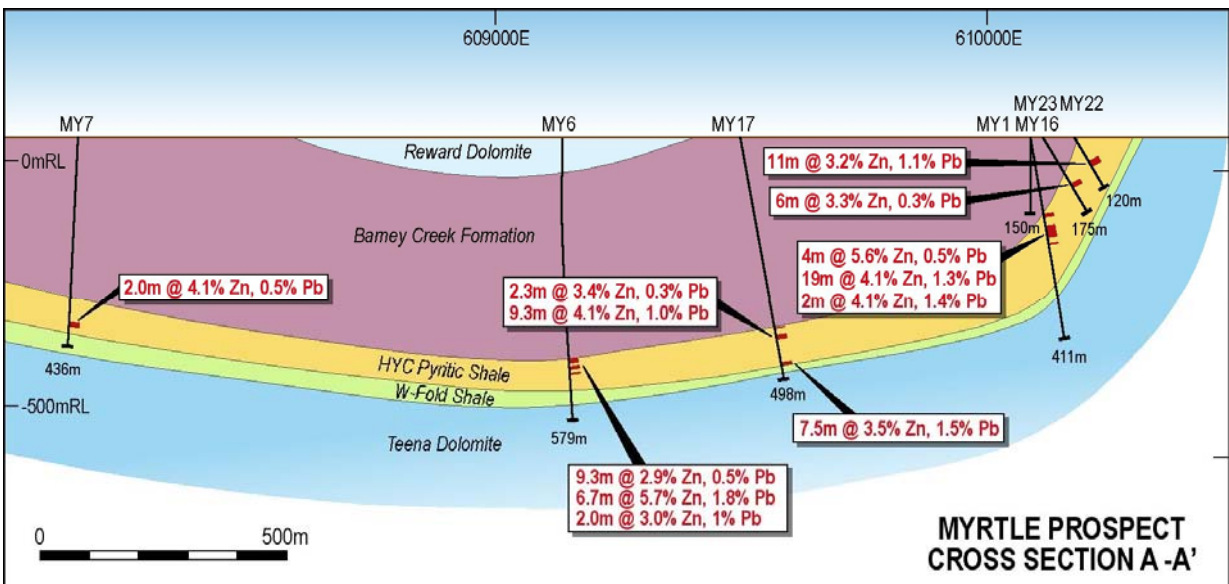


Figure 3: Myrtle Prospect Drill Cross Section A – A', showing drill intercepts above 3.0% Zn + Pb cut off across a strike length of at least 2km

Memorandum of Understanding

Rox has received a number of expressions of interest from international mining companies, both in the Myrtle zinc-lead project, and in Rox as a corporate entity. Negotiations and discussions are ongoing, and a number of groups are currently conducting due diligence reviews.

Although no legally binding or exclusive agreements have been signed, a number of transactions have been proposed and are currently being considered.

One Memorandum of Understanding (MOU) has been signed with a Chinese minerals company ("Company"). The MOU, which is non-exclusive and non-binding, is subject to confidentiality and records a proposed transaction, subject to a due diligence period expiring on 28 February 2009, whereby the Company may acquire an 80% interest in the Myrtle Project (EL10316) for a cash payment to Rox of A\$12,500,000.

At the completion of the due diligence period, if the Company proceeds with the transaction, Rox and the Company will form a contributing 80/20 joint venture to further explore and develop the Myrtle zinc-lead project. The Company will be the manager of the joint venture, and Rox may assist by way of its operational expertise in Australia.

PHA LUANG ZINC-LEAD PROJECT, LAOS

No work was undertaken on this project due to the Lao wet season.

CORPORATE

Rox announced on 19 December 2008 that it intended to undertake a renounceable issue of one (1) new Share for every two (2) existing Shares held by shareholders, at an issue price of \$0.02 together with one (1) free attaching new Option for every two (2) new Shares taken up. The Options will be exercisable at \$0.10 on or before 30 June 2011.

The issue seeks to raise \$723,864 before costs from the issue of up to 36,193,214 new Shares.

Net proceeds will be used to provide general working capital and funds for the ongoing exploration on the Company's Myrtle project.

Rox has finalised an underwriting agreement with Patersons Securities Limited, and a transaction specific prospectus which includes full details of the issue was released on 22 December 2008.

Dated this 28th day of January 2009.



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

72.4M shares
11.85M unlisted options

Top Shareholders

Directors & Assoc	12.5%
Ivernia Inc.	6.3%
Howard Smith Investments	3.3%

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).

Rox owns 100% of the Reward project tenement which covers 379km² adjacent to the world class McArthur River zinc-lead deposit in the Northern Territory. A SEDEX style deposit has been identified by Rox at the Myrtle prospect, where an Inferred Mineral Resource of 38 million tonnes grading 4.2% Zn and 1.0% Pb has been delineated. Thick drill intercepts of prospective stratigraphy carrying significant zinc-lead grades have already been made but only a small portion of the prospective area has been drilled, and Rox is extremely confident the resource will continue to grow with further drilling. A higher grade core of 15 million tonnes grading 5.5% Zn and 1.5% Pb is present, and a large mineralised system is indicated.

IP and EM geophysical surveying, soil sampling and geologic interpretation also indicate the potential for shallow near surface mineralisation which may be exploitable by open pit mining. Several other prospects in the tenement area have similar potential to Myrtle but are at an early stage of exploration.

Rox also 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 MVT style zinc-lead district. The project area covers a 20km² granted mining concession area and contains numerous zinc-lead prospects. Rox is the first explorer to apply modern techniques to the area. Mineralisation is widespread with zinc and lead oxides and sulphides outcropping in various places along a strike length of over 10km. Applications have been lodged for an additional 290km² exploration area immediately surrounding the granted mining concession.

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 maintains an exploration office in the Lao capital, Vientiane, to support the Pha Luang project.

Rox continues to actively review potential new opportunities, particularly 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, MAICD, 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 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter A\$'000	Year to Date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(77)	(618)
(b) development	-	-
(c) production	-	-
(d) administration	(296)	(574)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Security bonds	-	-
Net Operating Cash Flows	(366)	(1,174)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(50)
(b) equity investments	-	-
(c) other fixed assets	-	(4)
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	-	(54)
1.13 Total operating and investing cash flows (carried forward)	(366)	(1,228)

1.13 Total operating and investing cash flows (brought forward)	(366)	(1,228)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of costs)	(2)	612
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	(2)	612
Net increase (decrease) in cash held	(368)	(616)
1.20 Cash at beginning of quarter/year to date	523	771
1.21 Exchange rate adjustments to 1.20	-	-
1.22 Cash at end of quarter	155	155

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	70
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

Nil

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	50
4.2 Development	-
Total	50

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	-	28
5.2 Deposits at call	155	495
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	155	523

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	72,386,428	72,386,428		
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
	400,000	Nil	\$0.35	31 May 2010
	2,000,000	Nil	\$0.35	30 Nov 2010
7.8 Issued during quarter	-			
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: 28th January 2009

A handwritten signature in black ink, appearing to read "Brett Dickson", written over a light blue circular stamp.

Company Secretary

Print Name: Brett Dickson