



Quarterly Report

For the period ended 31 March 2006

HIGHLIGHTS

Laos - Zinc

- **Thick zones of sulphide mineralisation drilled at Nam Yen prospect.**
- **Intercepts include 33 metres of 11.4% lead+zinc.**
- **Further drilling results pending.**
- **Currently drilling major soil anomaly at Bon Noi prospect.**

Corporate Activity

- **Menzies project sold for \$600,000 cash and 3,000,000 purchaser shares. Total value \$1.17 million.**
- **Expressions of interest being sought for South African diamond projects.**

INTRODUCTION

Rox Resources Limited ("Rox") was listed on the ASX in April 2004 with the Menzies gold project as its only asset. During 2005, Rox added two new projects to its portfolio. In Laos, a joint venture was formed with local Lao company, First Pacific Mining, to acquire a 60% interest in the sulphide portion of the Pha Luang lead-zinc-silver project. In South Africa, Rox acquired the alluvial diamond interests of private South African company Nyala Resources and has added a number of new kimberlite diamond projects since.

Initial diamond drilling in Laos during 2005 produced encouraging results, with best intercepts of 17.5 metres grading 18.5% zinc, 5.3% lead and 28 grams per tonne silver; and 4.3 metres grading 45.9% zinc, 6.6% lead and 30 grams per tonne silver. During the December 2005 and March 2006 quarters, Rox undertook extensive soil sampling and geological mapping at Pha Luang in preparation for RC drilling which commenced in late March 2006. The soil sampling outlined several highly anomalous areas and the recent drilling results confirm soil sampling as an effective exploration technique.

Due to the excellent results being achieved in Laos, the Company decided to concentrate its efforts and expenditure there, and accordingly sought to realise value from its other projects.

On 3 March 2006 Rox announced the sale of the Menzies project which will net the Company \$600,000 cash and 3,000,000 shares in the purchaser company Regal Resources Limited (current value \$570,000). Expressions of interest are being sought for the Company's South African diamond projects.

LAOS - ZINC

Exploration during the March 2006 quarter has outlined several large soil anomalies. At Bon Noi a 500 metre x 450 metre soil anomaly has been defined where values of zinc and lead in soil exceed 1% each (see Appendix) and Ag in soil exceeds 4 ppm. Within this anomaly occur several newly discovered outcrops of high-grade sulphide mineralisation with values up to 70.3% lead, 39.3% zinc and 425 ppm Ag (e.g. Khamseuk prospect).

A further new prospect occurs 250-300 metres south (Switchback 23) of the Bon Noi soil anomaly, where rock chip values up to 77.1% lead and 333 ppm silver have been obtained from outcropping massive lead sulphide (galena).

At Nam Yen exploration has outlined two soil anomalies where zinc and lead values also exceed 1% each (and silver in soil exceeds 4 ppm), with the largest anomaly over an area of 200 x 100 metres. Outcropping sulphide mineralisation has been found at several locations within these soil anomalies, with values up to 44.3% zinc, 25.5% lead and 72 ppm silver.

RC Drilling to test the high lead and zinc values obtained in soils, outcropping lead-zinc-silver mineralisation, and follow-up previous excellent drill results at Bon Noi and Nam Yen is currently underway.

Drilling has intersected breccia-hosted lead and zinc sulphide mineralisation at the Nam Yen prospect, with results available from the first eight holes. Table 1 provides results for eight of the 19 holes drilled to date with significant results including:

| | |
|---------|--|
| PLR015: | 33 metres grading 11.4% combined lead+zinc, from 4 metres |
| PLR010: | 8 metres grading 8.7% combined lead+zinc, from 16 metres |
| PLR009: | 6 metres grading 11.6% combined lead+zinc, from 4 metres |
| PLR008: | 4 metres grading 26.2% combined lead+zinc from surface |

Mineralisation is open in most directions and results of a further 11 holes are expected within 2-3 weeks. Further drilling at Nam Yen is planned once drill access has been prepared.

The mineralisation consists of galena (lead sulphide) and sphalerite (zinc sulphide) hosted in a limestone breccia. This style of mineralisation is of the Mississippi Valley Type (MVT), and grades of typical mined sulphide MVT deposits average 8.6% combined lead+zinc worldwide. Usually zinc grade exceeds lead grade.

The Nam Yen results however, indicate a lead-rich zone providing direct comparison to the 110 million tonne lead-rich Viburnum Trend deposits in the USA which graded 6.9% lead, 1.5% zinc, with 8.4% combined lead+zinc on average. Hole PLR015, which is representative of the bulk of mineralisation drilled so far, exceeds this average grade.

Nam Yen is one of four major soil anomalies delineated to date at the Pha Luang project. A further 12 known occurrences of mineralisation have yet to be mapped and soil sampled to generate drill targets.

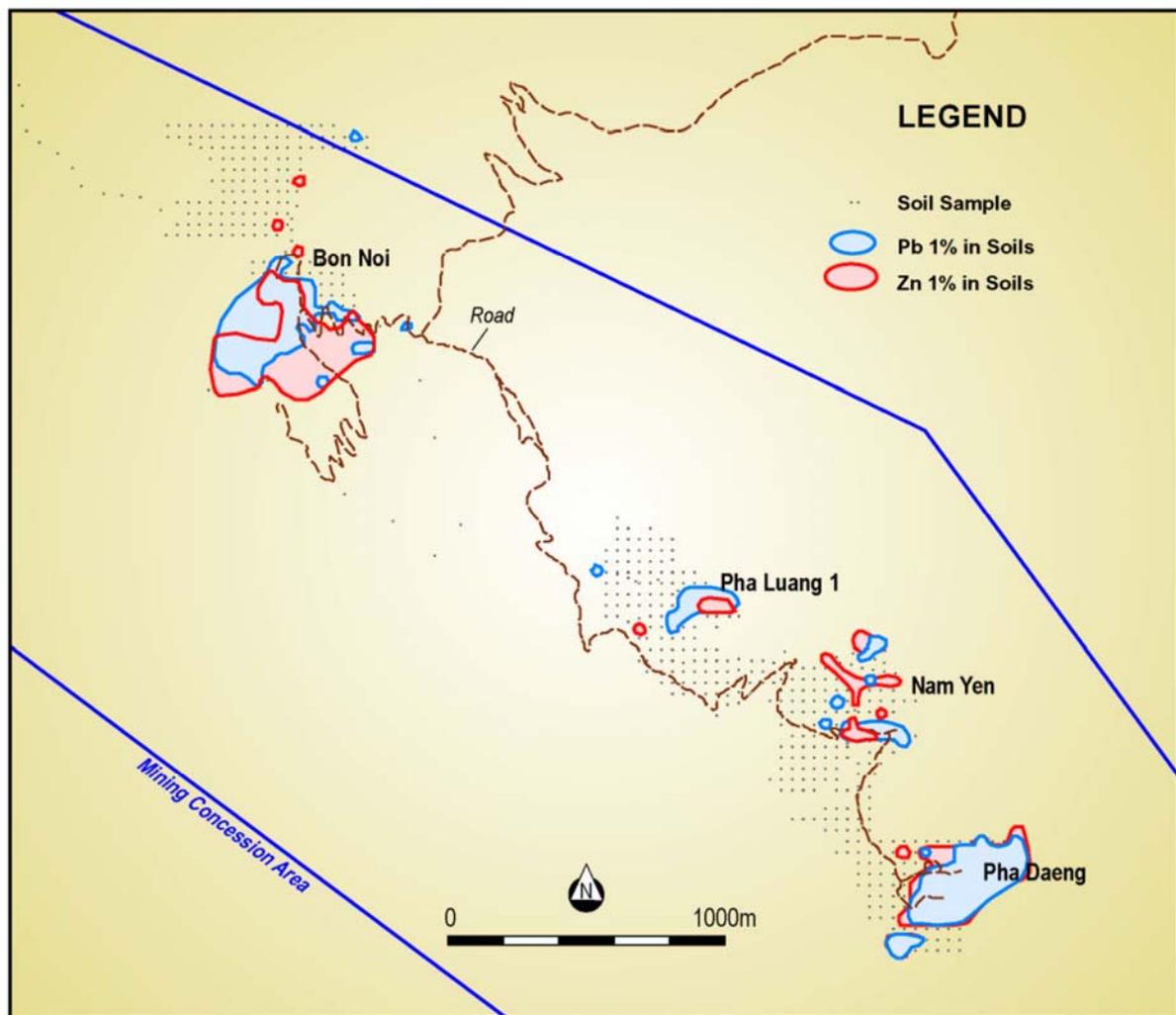


Figure 1: Pha Luang Project, showing overlapping soil anomalies at Bon Noi, Pha Luang 1, Nam Yen and Pha Daeng

Geological mapping and soil and rock chip sampling is proceeding at a number of other prospects.

In particular, at Pha Luang 1 (see Figure 1 for location) a large lead and zinc-in-soil anomaly has been defined covering an area of 200 x 100 metres above 1% lead and 1% zinc, with high-grade rock chip samples also. Peak values within the soil anomaly are 2.96% lead, 3.04% zinc, and 7.8 ppm silver in soils.

At Pha Daeng (Figure 1) sampling indicates another sizable high-grade soil anomaly extending over two areas (and still open) of up to 500 x 300 metres and 100 x 100 metres, with peak values of 7.25% lead, 19.7% zinc, and 79 ppm silver in soils. Rock chip samples were up to 3.79% Lead, 30.4% Zinc, and 149ppm Ag.

Drilling may be contemplated at these two outstanding prospects later once access tracks are constructed.

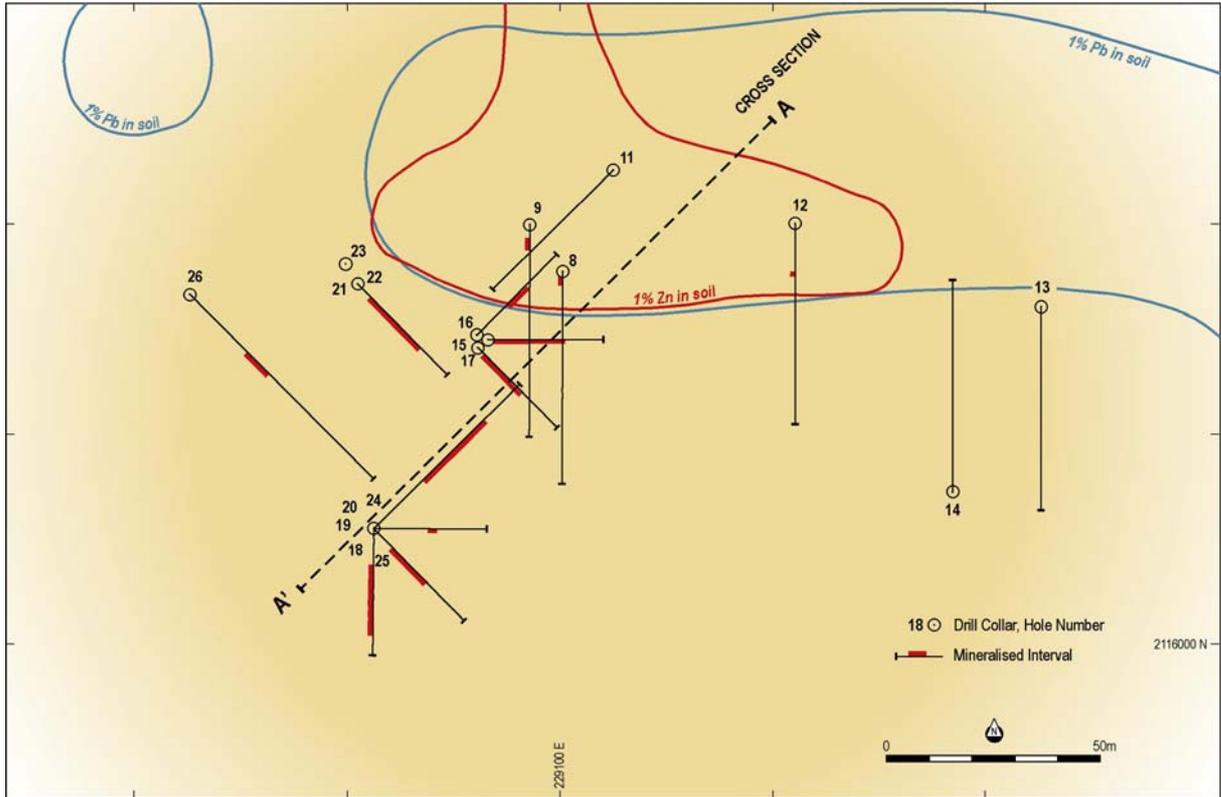


Figure 2: Nam Yen RC Drill Plan and Soil Contours

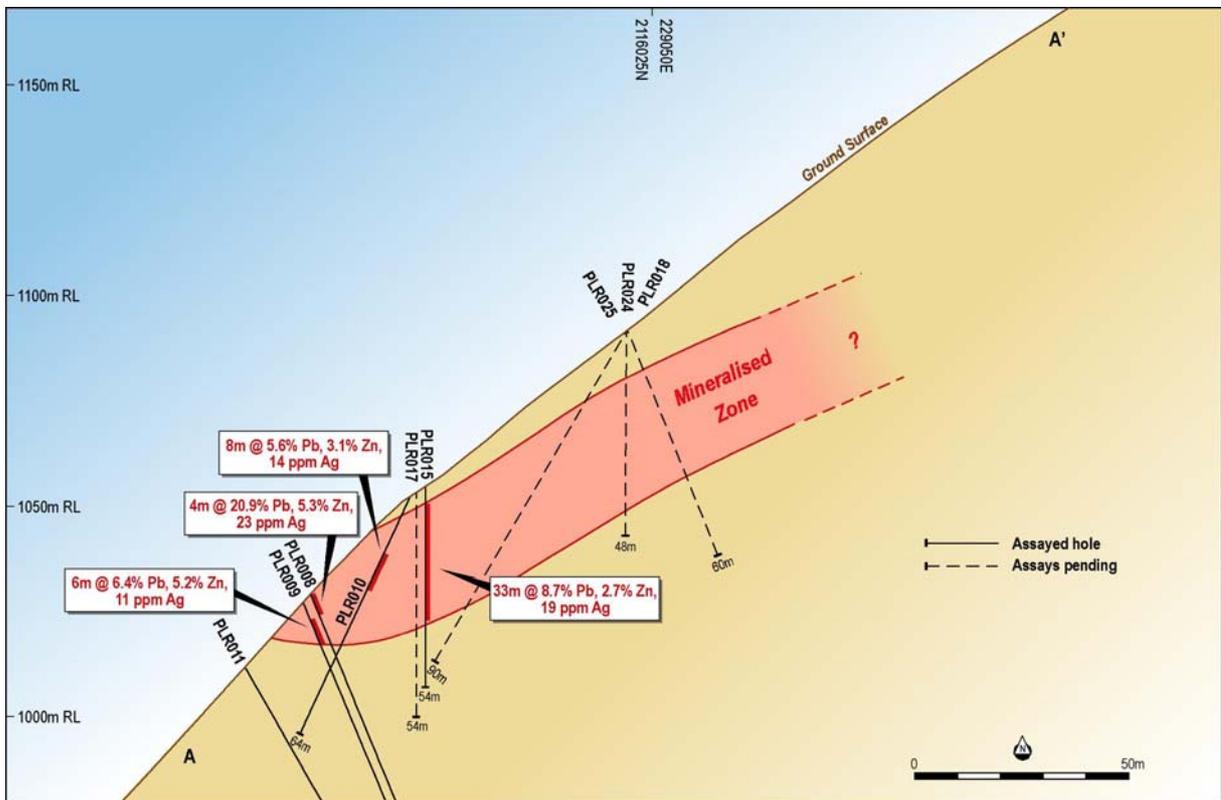


Figure 3: Nam Yen RC Drill Cross Section

The Pha Sod/Pha Jom area in the western half of the Mining Concession area (Figure 4) also contains eight prospects, and high-grade rock chip samples up to 5.97% lead, 23.4% zinc, and 77 ppm silver have been collected from some of these, however detailed mapping and soil sampling has not yet been commenced.

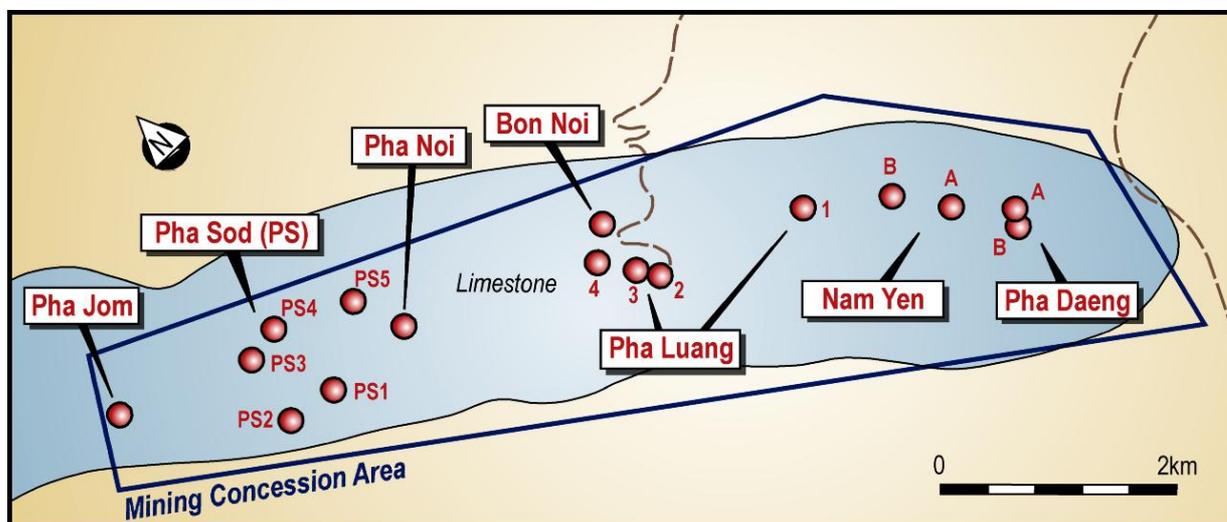


Figure 4: Pha Luang Project, Prospect Locations

SOUTH AFRICA - DIAMONDS

Alluvial Projects

The Vlakfontein Prospecting Right was granted on 9 November 2005. A RAB drilling programme at Vlakfontein was undertaken during February 2006 but was curtailed due to unseasonably wet weather and restricted access. This drilling successfully tested the hypothesis that diamonds from the rich Jagersfontein diamond pipe may have been eroded and deposited in the Vlakfontein area, intersecting a thin (but significant) gravel layer beneath overlying alluvium. Further drilling is warranted to map out the extent of the gravels.

The Pampoene Pan prospecting right was granted on 24 February 2006. A probe drilling programme has been designed for this prospect.

As discussed above, the Company has decided to seek expressions of interest from third parties for the South African diamond projects. The intention is for Rox to retain an interest in the projects either as direct equity, or indirectly through shares in the acquiring company. A company specialising in diamond exploration/production in southern Africa is being sought. This will enable Rox to concentrate on its Laos zinc-lead project.

FINANCIAL

As at 31 March 2006, Rox had 43,042,000 shares on issue. In addition there are 10,050,000 unlisted 20 cent options. Cash on hand as at 31 March 2006 was \$1.2 million, with settlement of the \$1.17 million Menzies project sale expected during the June 2006 quarter.

Dated this 28th day of April 2006.

Signed on behalf of the Board of Rox Resources Limited.



IAN MULHOLLAND
Managing Director

FOR FURTHER INFORMATION CONTACT:

Ian Mulholland, Managing Director
Tel: (08) 9486 4537

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")

March 2006

Consolidated statement of cash flows

| | Current Quarter A\$'000 | Year to Date (6 months) \$A'000 |
|---|-------------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for: (a) exploration and evaluation | (313) | (1,092) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (154) | (564) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 18 | 63 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other - Security bonds | - | - |
| Net Operating Cash Flows | (449) | (1,593) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (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 | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (449) | (1,593) |

| | | |
|--|-------|---------|
| 1.13 Total operating and investing cash flows (brought forward) | (449) | (1,593) |
| Cash flows related to financing activities | | |
| 1.14 Proceeds from issues of shares (net of costs) | (65) | 935 |
| 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 | (65) | 935 |
| Net increase (decrease) in cash held | | |
| 1.20 Cash at beginning of quarter/year to date | 1,747 | 1,891 |
| 1.21 Exchange rate adjustments to 1.20 | - | - |
| 1.22 Cash at end of quarter | 1,233 | 1,233 |

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 | 85 |
| 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

Nil

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 | 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 | 328 | 24 |
| 5.2 Deposits at call | 905 | 1,723 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,233 | 1,747 |

Changes in interests in mining tenements

No changes during the quarter. See attached Schedule A for list of tenements.

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 | 43,042,000 | 34,677,367 | | |
| 7.4 Changes during quarter - Issued | 770,000 | 770,000 | | |
| 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 |
| | 800,000 | Nil | \$0.20 | 30 April 2007 |
| | 4,000,000 | Nil | \$0.20 | 30 June 2007 |
| 7.8 Issued during quarter | 4,000,000 | Nil | \$0.20 | 30 June 2007 |
| 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: 28 April 2006

Company Secretary

Print Name: Brett Dickson

SCHEDULE A

Interests in mining tenements relinquished, reduced or lapsed during the quarter

Nil

Interests in mining tenements held

| Tenement Reference | Nature of Interest | Interest at beginning of quarter | Interest at end of quarter |
|--------------------|--------------------|----------------------------------|----------------------------|
| M29/14 | Owned | 100% | 100% |
| M29/88 | Owned | 100% | 100% |
| M29/153 | Owned | 100% | 100% |
| M29/154 | Owned | 100% | 100% |
| M29/184 | Owned | 100% | 100% |
| M29/212 | Owned | 100% | 100% |
| MLA29/223 | Owned | 100% | 100% |
| MLA29/225 | Owned | 100% | 100% |
| L29/41 | Owned | 100% | 100% |
| L29/42 | Owned | 100% | 100% |
| L29/43 | Owned | 100% | 100% |
| L29/44 | Owned | 100% | 100% |
| L29/58 | Owned | 100% | 100% |

Glossary

| | |
|-----|--------------------------|
| M | Mining Lease |
| MLA | Mining Lease Application |
| L | Miscellaneous Licence |