

Quarterly Report

For the period ended 30 September 2009



HIGHLIGHTS

- ◆ **Excellent metal recoveries achieved from early flotation test work on Myrtle samples.**
 - Zinc 90.4%**
 - Lead 74.0%**
- ◆ **Majority of zinc recovered in approximately 6 minutes laboratory flotation time after copper sulphate activation.**
- ◆ **Indication that separate zinc and lead concentrates will be able to be produced.**
- ◆ **Initial indication that grade of zinc concentrate will exceed 50%.**
- ◆ **Drilling planned to commence in late October.**
- ◆ **Priority received for the grant of a new Exploration Licence application immediately north of Myrtle deposit**
- ◆ **Rights Issue successfully completed to raise approximately \$1.6 million for further exploration and development activities at Myrtle.**

MYRTLE ZINC-LEAD PROJECT, AUSTRALIA

With funding secured through a successful rights issue, Rox has mapped out a programme of work to progress the Myrtle zinc-lead project in the Northern Territory. This work programme is currently underway with metallurgical results showing excellent results so far.

1. Metallurgical testwork to:
 - a) establish the recoveries of zinc and lead;
 - b) establish the crushing, grinding and flotation characteristics of the ore;
 - c) establish sufficient parameters such that operating and capital costs for process/treatment can be estimated.
2. Drilling at Myrtle with the aim to:
 - a) test and evaluate the open pit potential;
 - b) significantly expand the current resource;
 - c) obtain further samples for mineralogical and metallurgical evaluation.
3. Complete a Scoping Study to demonstrate the positive economics of the project.

Metallurgical Testwork

Rox is currently undertaking a metallurgical testwork program. With initial results being highly encouraging the testwork has been extended in scope in order to investigate the optimum flotation process to produce separate zinc and lead concentrates, and to establish the grade of those concentrates.

The results received so far are the first stage of the test work, and have established that high recoveries for zinc and lead are achievable from the Myrtle deposit.

Two 20kg representative diamond drill core samples of the Myrtle deposit were submitted for test work to metallurgical laboratory AMMTEC, under the supervision of Mineral Engineering Technical Services Pty Ltd (METS).

The samples were selected based on field logging that suggested that the two samples, while representative of the deposit, might contain different mineralogy and therefore behave differently metallurgically. However, a QEMSCAN analysis by AMMTEC showed that the mineralogy was not substantially different, and the results from flotation work were similar for both samples.

First stage flotation tests of the samples ground to 80% passing 53 microns produced a series of rougher concentrates with **total recovery of 90.4% of zinc and 74.0% of lead metal.**

The first rougher concentrates, extracted before the addition of copper sulphate (CuSO_4 , which activates zinc sulphide) recovered 33% of the lead. After addition of CuSO_4 , a further 41% of the lead was recovered, giving a total of 74% recovery average for lead. Most of the contained pyrite was extracted in this early stage flotation.

During this early stage, around 8% of the zinc was recovered. After the addition of CuSO_4 , a further 82% of the zinc was recovered very quickly, giving a total recovery of zinc of 90.4%.

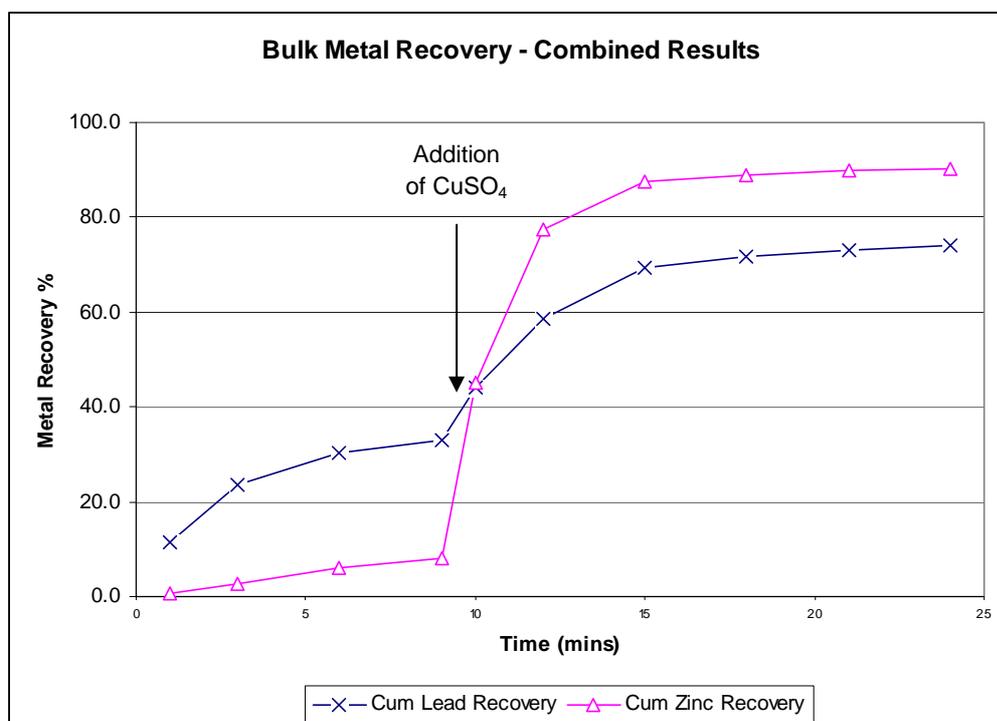


Figure 1: Recovery vs. Time Graph

Drilling Program

Based on these very positive metallurgical results the Company is proceeding with the first stage of the new drilling program at Myrtle, which involves RC drilling to test and evaluate the open pit potential along the 2km long Zn and Pb soil anomaly (Figure 2). This drilling is scheduled to commence by the end of October 2009.

A number of fences of RC holes will be drilled to evaluate the previously untested southern anomaly where coincident zinc and lead soil anomalies occur, and to test between previous drilling (i.e. between holes MY10 and 16, and between holes MY 19 and MY10), which returned ore grade mineralisation.

In addition, two other soil anomalies that represent possible outcrop expressions of the mineralised zone will be drilled.

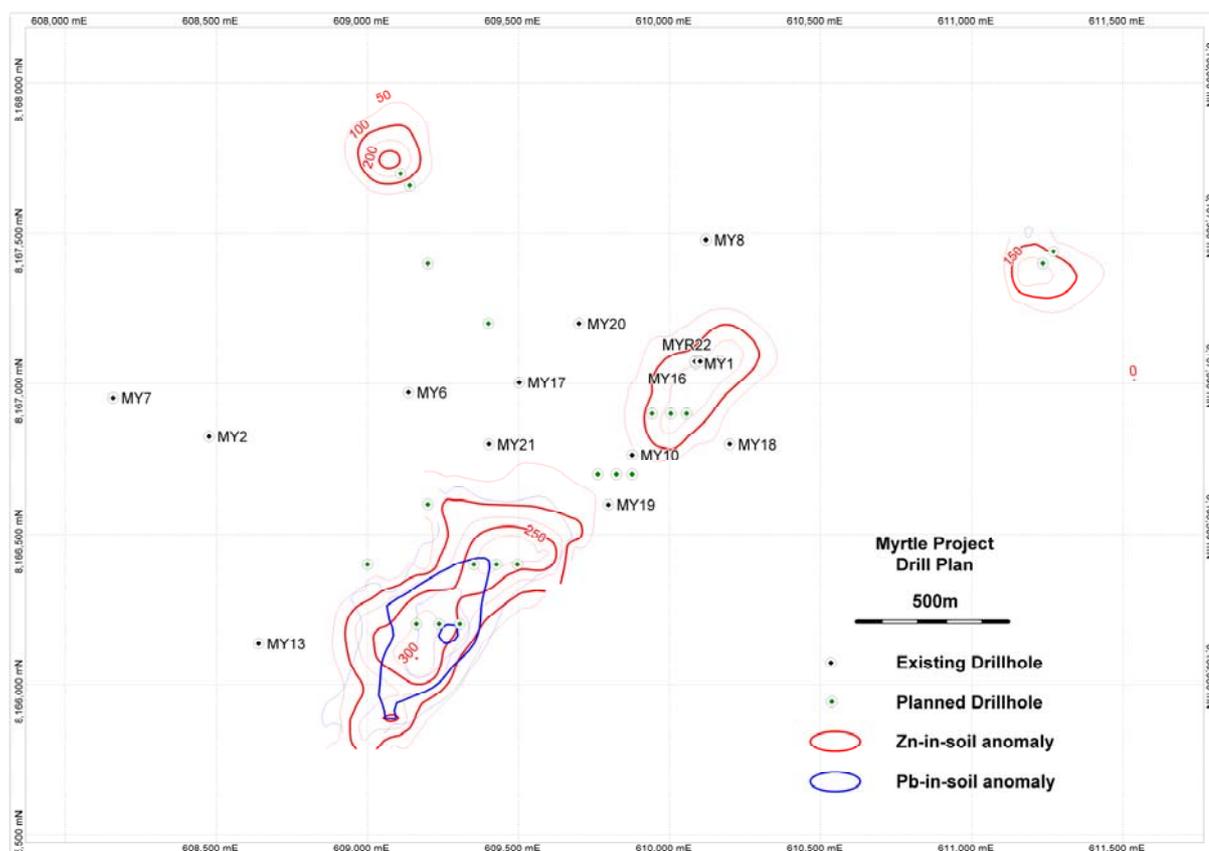


Figure 2: Drilling plan and soil anomalies

Mineral Resource

To date Rox has established a large Inferred Mineral Resource at Myrtle of **38Mt @ 5.2% Zn+Pb** (at a 3% Zn+Pb cut-off). The size of this resource is only limited by the relatively small amount of drilling at Myrtle, with the mineralisation not closed off to the north, west, or south, (Figure 3). There is significant scope to greatly increase the resource by further drilling in the areas designated as “open” in Figure 3.

It is common for large SEDEX deposits to have significant zones of higher grade mineralisation which can support project economics, especially at times of low metal prices and Myrtle is no different.

At a higher cut-off limit of 5% Zn+Pb the Inferred Resource at Myrtle is **15Mt @ 7% Zn+Pb**. As the overall resource at Myrtle grows this important sub-set is expected to grow

proportionately. Importantly, as can be seen in Figure 4, this higher grade resource is a coherent continuous zone which would make mining relatively easy.

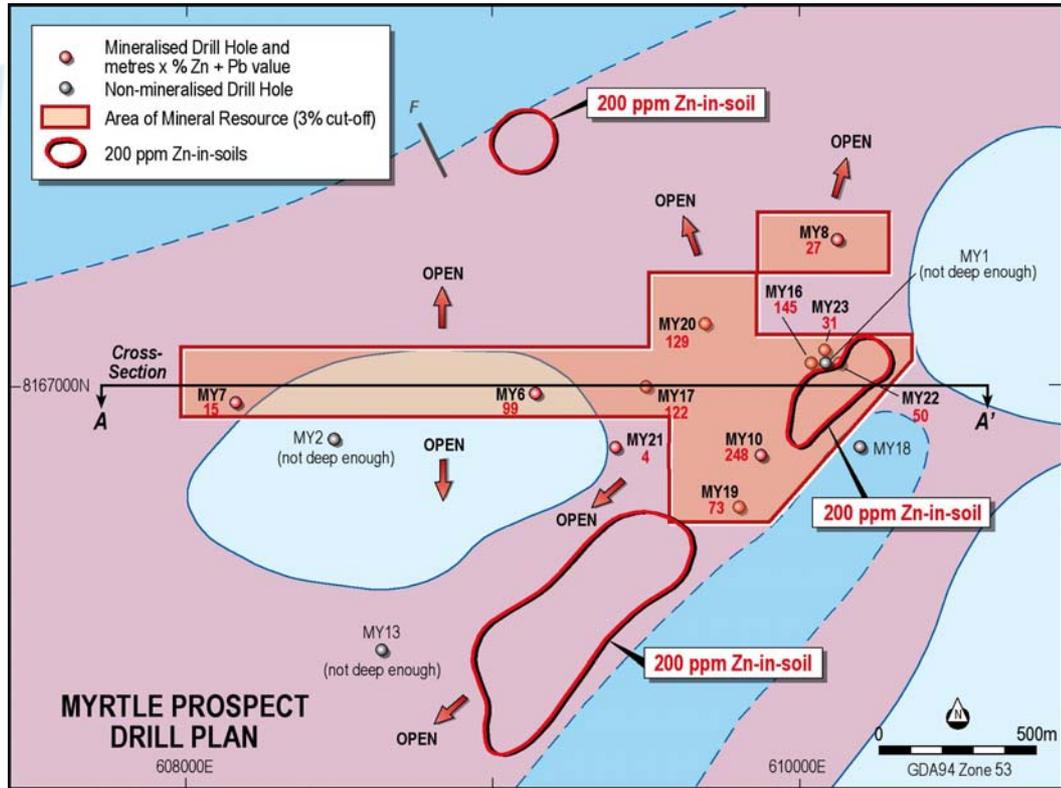


Figure 3: Myrtle Drill Location and Geology Plan
 (Hangingwall Dolomite – Light Blue, Mineralised Shale – Brown, Footwall Dolomite – Dark Blue)

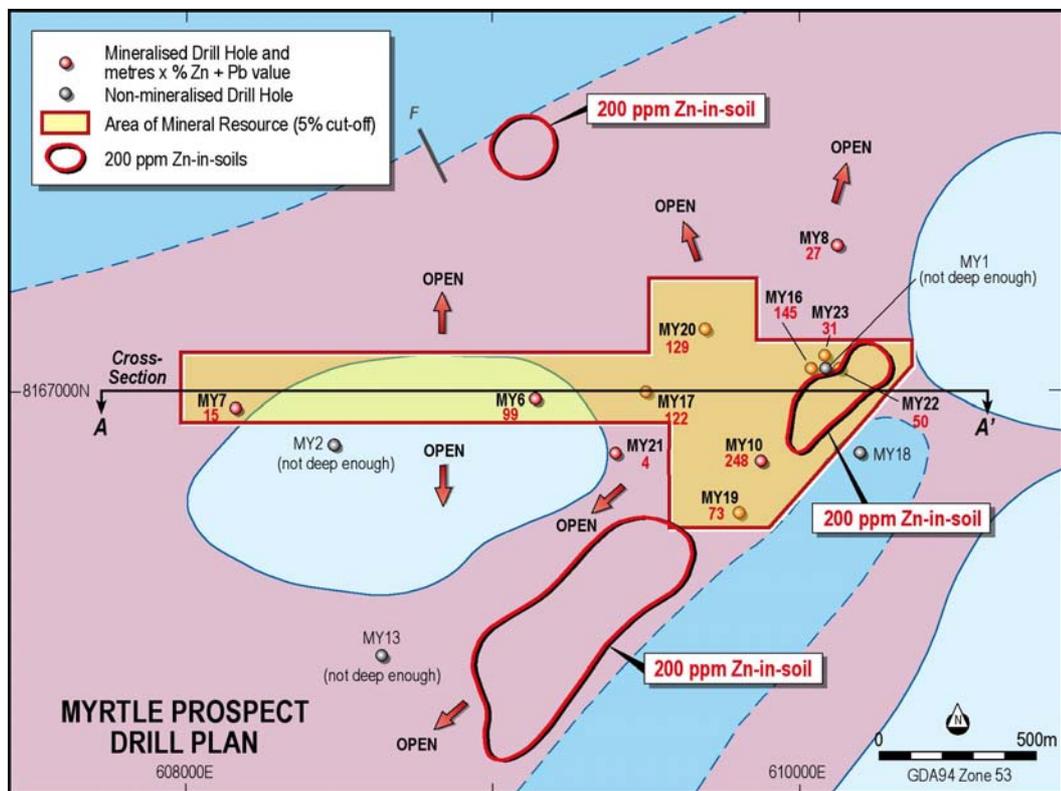


Figure 4: Myrtle Resource at 5% Zn+Pb cut-off

Table 1: Inferred Mineral Resource Summary – Myrtle Zinc Deposit

Cut-off Zn+Pb%	Tonnes Mt	Grade			Contained Metal ('000t)				Bulk Density t/m ³
		Zn%	Pb%	Zn+Pb%	Zn	Pb	Zn+Pb	Zn/Pb	
1.0	102	2.3	0.6	2.9	2,358	582	2,940	4.1	2.9
2.0	65	3.1	0.8	3.9	2,021	489	2,509	4.1	3.0
2.5	49	3.6	0.9	4.5	1,753	432	2,184	4.1	3.05
3.0	37	4.2	1.0	5.2	1,541	372	1,912	4.1	3.05
5.0	15	5.5	1.5	7.0	831	221	1,051	3.8	3.1
6.0	8.2	6.4	1.9	8.3	521	154	675	3.4	3.1
7.0	5.4	7.0	2.3	9.3	372	120	493	3.1	3.1

Scoping Study

The metallurgical test work, RC drilling and other information to hand will be used to compile information to enable a high level Scoping Study to be completed by a suitably qualified consultant. The scoping study will review likely capital and operating costs together with overall project economics. A study manager will be announced shortly.

New Exploration Licence Application

A new exploration licence area, "Myrtle Extension", of 33 sub-blocks (approximately 107 km²) was applied for immediately north of Myrtle. It covers a prospective area between the Myrtle deposit and the McArthur River deposit.

Location

The Myrtle zinc-lead deposit is located just 17km south of the large, world class, McArthur River (HYC) zinc-lead mine (Figure 5). Myrtle has significant advantages in terms of deposit location (Australia's Northern Territory), geometry (open pit potential), and accessible infrastructure (already installed for the adjacent McArthur River zinc mine).

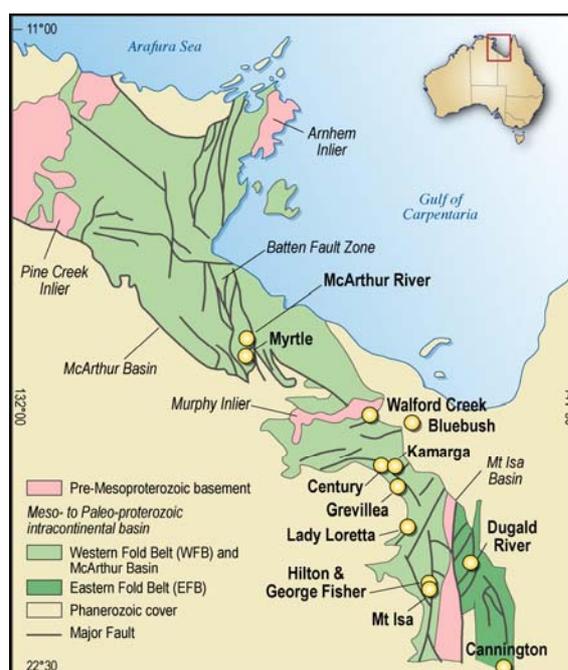


Figure 5: Myrtle Project Location

PHA LUANG ZINC-LEAD PROJECT, LAOS

Lack of certainty regarding the status of the joint venture and the approvals process by the Laos Government have prompted the company to suspend exploration work at the project and to assess its options in regard to continuing at Pha Luang.

CORPORATE

During the quarter Rox successfully completed an Entitlements Issue of one (1) new Share for every one (1) existing Share held by shareholders, at an issue price of \$0.015 together with one (1) free attaching new Option for every ten (10) new Shares taken up, raising approximately \$1,628,706 before costs.

Dated this 28th day of October 2009.



Signed on behalf of the Board of Rox Resources Limited.

IAN MULHOLLAND
Managing Director

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 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")

30 September 2009

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	(28)	(28)
(b) development	-	-
(c) production	-	-
(d) administration	(232)	(232)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Security bonds repayments	27	27
Net Operating Cash Flows	(231)	(231)
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	1
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other -	-	-
Net investing cash flows	1	1
1.13 Total operating and investing cash flows (carried forward)	(230)	(230)

1.13 Total operating and investing cash flows (brought forward)	(230)	(230)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of costs)	1,507	1,507
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	1,507	1,507
Net increase (decrease) in cash held	1,277	1,277
1.20 Cash at beginning of quarter/year to date	423	423
1.21 Exchange rate adjustments to 1.20	-	-
1.22 Cash at end of quarter	1,700	1,700

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	57
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	350
4.2 Development	-
Total	350

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	25	22
5.2 Deposits at call	1,675	401
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,700	423

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	217,240,584	217,240,584		
7.4 Changes during quarter - Issued	108,660,158	108,660,158	\$0.015	\$0.015
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>
	30,160,238	30,160,238	\$0.10	30 June 2011
	37,923,460	37,923,460	\$0.015	31 July 2011
	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	38,003,192	38,003,192	\$0.015	31 July 2011
7.9 Exercised during quarter	79,732	79,732	\$0.015	31 July 2011
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 October 2009

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

Company Secretary

Print Name: Brett Dickson