

ROX RESOURCES LIMITED

ABN 53 107 202 602

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

21 November 2012

Time of Meeting

2:00pm WST

Place of Meeting

Presidents Room
The Celtic Club (Inc)
48 Ord Street
West Perth WA 6005

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how you should vote at the Annual General Meeting, you should seek advice from your accountant, solicitor or other professional adviser without delay.

ROX RESOURCES LIMITED

(ABN 53 107 202 602)

Notice of Annual General Meeting

NOTICE IS GIVEN that the 2012 Annual General Meeting of Rox Resources Limited (“**Company**”) will be held at the Presidents Room, The Celtic Club, 48 Ord Street, West Perth, Western Australia on 21 November 2012 at 2.00pm (WST).

AGENDA

ORDINARY BUSINESS

Receipt of Financial Statements and Reports for the year ended 30 June 2012

To receive and consider the annual financial statements of the Company together with the Directors' and Auditor's Reports for the year ended 30 June 2012.

Resolution 1 - Adoption of the Remuneration Report

To consider and, if thought fit, pass as an **ordinary resolution**:

“That the Remuneration for the year ended 30 June 2012 be adopted.”

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

The Company will disregard any vote cast on Resolution 1 by, or on behalf of:

- (a) a member of the key management personnel as disclosed in the Remuneration Report (**Key Management Personnel**); and
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman of the Meeting as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

The Chairman intends to vote all available proxies in favour of the Resolution.

Resolution 2 - Election of Mr Gresham as a Director

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That Mr Jeffrey Gresham, being a Director who retires by rotation in accordance with clause 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 3 - Approval to Issue Shares

To consider and, if thought fit, to pass as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approve the allotment and issue of a maximum of 50,000,000 Shares, at an issue price of not less than 80% of the weighted average of the closing sale price of the Shares on the ASX on the 5 trading days on which sales are recorded and immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus), as further described in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any vote cast on Resolution 3 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Issue of Options to a Director – Mr Ian Mulholland

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 5,000,000 Director Options to Mr Ian Mulholland or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting Exclusion Statement
The Company will disregard any vote cast on Resolution 4 by Mr Mulholland and any associate of Mr Mulholland.
However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Resolution 5 – Issue of Options to a Director – Mr Brett Dickson

To consider and, if thought fit, to pass as an **ordinary resolution**:

"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 2,500,000 Director Options to Mr Brett Dickson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting Exclusion Statement
The Company will disregard any vote cast on Resolution 5 by Mr Dickson and any associate of Mr Dickson.
However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

SPECIAL BUSINESS

Resolution 6 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass as a special resolution:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed.

However, the Company need not disregard a vote cast on this resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

By order of the Board of Directors



Brett Dickson
Company Secretary
Date: 5 October 2012

Important information for Shareholders

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

Resolutions 1 to 5 are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution. Resolution 6 is a special resolution. A special resolution requires a 75% majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

Proxies

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form or online proxy instructions must be received by **no later than 2.00pm (WST) on Monday 19 November 2012**, being not less than 48 hours prior to the commencement of the meeting.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with the meeting materials.

Voting entitlements

The Board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are the registered holders of the Company's shares at 4.00pm (WST) on Monday 19 November 2012.

ROX RESOURCES LIMITED
ABN 53 107 202 602

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to consider the items of business contained in the accompanying Notice of Annual General Meeting of Rox Resources Limited ("**Rox**" or the "**Company**").

Certain defined terms are used throughout the Notice and this Explanatory Memorandum. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Company to lay before the Annual General Meeting the Financial report, Directors' report (including the remuneration report) and the Auditor's report for the last financial year that ended before the Annual General Meeting.

The accounts are included as part of the 2012 Annual Report which is available on the Company's website at www.roxresources.com.au.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to Shareholders its Remuneration Report for the year ended 30 June 2012. The Company's Remuneration Report is set out in the Directors' Report section of the Company's Annual Report for the year ended 30 June 2012 and is also available on the Company's website (www.roxresources.com.au).

By way of summary, the Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Directors and certain senior executives, sets out the remuneration details for those persons and any service agreements and sets out the details of any Share-based compensation.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 1.

RESOLUTION 2 - RE- ELECTION OF MR JEFF GRESHAM AS A DIRECTOR

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, must retire from office. Mr Gresham retires from office in accordance with this requirement and, being eligible, submits himself for re-election as a Director.

Mr Gresham is a geologist with a distinguished industry career of varied exploration, operational and corporate experience both in Australia and internationally spanning more than 40 years.

Previously he was Managing Director of Titan Resources, an active nickel explorer in Western Australia, and roles prior to that have included Managing Director of gold miner Wiluna Mines Limited, General Manager - Exploration for Homestake Gold of Australia, and several senior executive roles with Western Mining Corporation (WMC) including Chief Geologist of the Kambalda Nickel Operations, and Executive Vice President Exploration for WMC's Canadian subsidiary Westminster Canada Ltd.

Mr Gresham's extensive professional experience covers numerous mineral deposit types and he has authored a number of technical and professional papers on the Kambalda nickel deposits and the Olympic Dam copper-uranium deposit, and has a B.Sc (Hons) degree from the Victoria University, Wellington, New Zealand.

The Directors (other than Mr Gresham) recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 - APPROVAL TO ISSUE SHARES

Resolution 3 seeks Shareholder approval for the issue of a maximum of 50,000,000 Shares at an issue price of not less than 80% of the weighted average of the closing sale price of the Shares on the ASX on the five trading days on which sales are recorded immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus).

Listing Rule 7.1 requires Shareholder approval for the proposed issue of Shares. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's securities then on issue.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares to be issued by the Company is 50,000,000 Shares;
- (b) the Company will allot and issue the 50,000,000 Shares no later than three months after the date of the Meeting;
- (c) the Shares will be issued at a price not less than 80% of the weighted average of the closing sale price of the Shares on the ASX for the five trading days on which sales are recorded immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus);
- (d) the Shares will be allotted progressively;
- (e) the Shares will be issued and allotted to applicants to be determined by the Directors. No decision has, as yet, been made by the Directors in respect of determining the identity of the allottees other than none of which will be related parties of the Company;
- (f) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue; and
- (g) the purpose of the issue is to raise funds for working capital requirements, to meet administrative expenses, to fund ongoing exploration activities. At this stage the Company plans to commit approximately 20% of its budget to administrative expenses, and the remainder to direct exploration.

The Directors recommend that Shareholders vote in favour of Resolution 3.

RESOLUTIONS 4 AND 5 – APPROVAL OF GRANT OF DIRECTOR OPTIONS

Shareholder approval is being sought in Resolutions 4 and 5 to grant a total of 7,500,000 Director Options to executive directors of the Company – Mr Ian Mulholland, the Managing Director (5,000,000 Director Options) and Mr Brett Dickson, the Finance Director (2,500,000 Director Options). Each Director Option will be exercisable at a 50% premium to the 30 day VWAP (for the 30 day period prior to the date of receiving shareholder approval) on or before 30 November 2015, subject to the following vesting conditions:

- a first tranche of 50% of the Director Options are only exercisable from 30 November 2013; and
- a second tranche of 50% of the Director Options are only exercisable from 30 November 2014.

The full terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Director Options is in acknowledgement of the increased workload placed on the Directors and designed to encourage them to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth, and prosperity of the Company through share ownership. Under the Company's current circumstances the Chairman Mr Gresham, who is not participating in the option issue, considers that the incentive intended for them, represented by the issue of these Director Options, is a reasonable, cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation or the award of share rights.

The number and exercise price of the Director Options to be granted has been determined based upon a consideration of:

- their cash remuneration as an Executive;
- the current competitive environment in the minerals industry for experienced professionals;
- the Directors' wish to ensure that the remuneration offered is competitive with the Company's peers. The Directors consider the proposed number of Director Options to be granted will ensure that overall remuneration is in line with market standards; and
- incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Over the last 12 month period, the highest closing price of Shares was \$0.038 on 28 October 2011 and the lowest closing price was \$0.015 on 12 October 2012. The closing price on 4 October 2012 was \$0.019. In respect of the Director Options to be granted, the exercise price will be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the 21 November 2012.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

The grant of the Director Options constitutes a "financial benefit" as defined in the Corporations Act. Further, Mr Mulholland and Mr Dickson are related parties of the Company as defined under the Corporations Act because they are Directors. Accordingly, the proposed grant of Director Options to the Mr Mulholland and Mr Dickson pursuant to Resolutions 4 and 5 constitutes the provision of a financial benefit to a related party of the Company that requires Shareholder approval.

Information Requirements

For the purposes of Section 219 of the Corporations Act the following information is provided to Shareholders.

The related party to whom the proposed resolution would permit the financial benefit to be given

Subject to Shareholder approval the related parties to whom the proposed Resolution would permit the financial benefit to be given are Mr Ian Mulholland and Mr Brett Dickson, or their nominee(s). Both Mr Mulholland and Mr Dickson are Directors of the Company.

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Director Options for no monetary consideration to Mr Mulholland and Mr Dickson, or their nominee(s), as noted above. The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

Directors' recommendation

Mr Mulholland and Mr Dickson have declined to make a recommendation to Shareholders in respect of Resolutions 4 and 5 due to the fact that they have a material personal interest in their outcome as it relates to the proposed grant of Director Options to them or their nominee(s).

Mr Jeffrey Gresham (who has no interest in the outcome of Resolutions 4 and 5) recommends that Shareholders vote in favour of Resolutions 4 and 5 as he believes it is both appropriate and reasonable to grant Mr Mulholland and Mr Dickson the Director Options in light of their expertise and experience and their contribution to the Company going forward. Given the reasons set out above, Mr Gresham is also of the view that value of the financial benefit is reasonable.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

Resolution 4 and 5 would have the effect of giving authority to the Company to grant a total of 7,500,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 398,336,377 issued Shares and 550,000 unlisted options exercisable at \$0.047 on issue.

If all Director Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders and option-holders by approximately 1.8%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not Mr Mulholland and Mr Dickson exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options.

At the date of this Notice Mr Mulholland has a relevant interest in 10,080,708 Shares and has no options Mr Dickson has an interest in 4,250,000 Shares and has no options.

Mr Mulholland's and Mr Dickson's base salary and fees per annum and the total financial benefit to be received by them in this current period as a result of the grant of Director Options the subject of Resolution 4 and 5 are:

Director	Base salary or fees p.a. (\$)	Superannuation p.a. (\$)	Value of Director Options (\$)	Total Financial Benefit (\$)
Mr Ian Mulholland	275,230	24,770	54,500	354,500
Mr Brett Dickson	144,000	-	27,250	171,250

Valuation of Director Options

The Company has valued the Director Options to be granted to Mr Mulholland and Mr Dickson, or their nominee(s), using the Binomial Model. The value of an option calculated by the Binomial Model is a function of a number of variables. The Company's assessment of the value of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.02
Exercise price	\$0.03
Risk free interest rate	2.34%
Volatility	100%
Time (years) to expiry	3.0 years

For the purposes of this valuation the Company has assumed 21 November 2012 as the issue date of the Director Options. For the Share price, the Company has assumed \$0.02 as this was a recent Share price on ASX on 24 September 2012. The Company has also assumed a volatility level of 100%. Taking these factors into account, the term of the Director Options (3.0 years) and its past Share prices the estimated value of one Director Option is 1.09 cents.

The estimated value of 7,500,000 Director Options proposed to be granted to Mr Mulholland and Mr Dickson pursuant to Resolutions 4 and 5 is \$81,750.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity based compensation will be recognised as an expense in respect of the services received. Other than as set out in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in granting the Director Options pursuant to Resolutions 4 and 5.

Apart from the information set out in this Explanatory Memorandum, neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions 4 and 5.

Listing Rule Requirements

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including the grant of options) to a related party of the Company. If Resolutions 4 and 5 are passed, the Director Options will be granted to Mr Mulholland and Mr Dickson, or their nominee. They are related parties of the Company by virtue of being Directors.

Accordingly, approval for the grant of the Director Options to Mr Mulholland and Mr Dickson is required pursuant to Listing Rule 10.11. Approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options to Mr Mulholland and Mr Dickson as approval is being obtained under Listing Rule 10.11. Shareholders should note that the grant of the Director Options to Mr Mulholland and Mr Dickson with approval under Listing Rule 10.11 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purpose of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Mr Ian Mulholland (5,000,000) and Mr Dickson (2,500,000) or their nominee(s);
- (b) the maximum number of Director Options to be granted is 7,500,000;
- (c) the Director Options will be granted on a date which will be no later than one month after the date of this Meeting;
- (d) the Director Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Director Options; and
- (f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

RESOLUTION 6 - APPROVAL OF 10% PLACEMENT FACILITY

Background

New ASX Listing Rule 7.1A enables eligible entities to issue "Equity Securities" (being shares, options and other securities as defined in the ASX Listing Rules) up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to Issue Equity Securities under the 10% Placement Facility.

The actual number of Equity Securities that the Company will have capacity to issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described in below).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice of Meeting, has on issue one class of listed Equity Securities, being ordinary shares. The number of ordinary shares currently on issue is 398,336,377.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 398,336,377 Shares and therefore has a capacity to issue:

(i) 59,750,456 Equity Securities under Listing Rule 7.1; and

(ii) 39,833,637 Equity Securities under Listing Rule 7.1A, subject to the Shareholder approval being granted under this Resolution.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the following table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The following table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) (as described above) as at the date of this notice of meeting.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the Issue Price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in Issue Price	\$0.02 Issue Price	\$0.04 100% increase in Issue Price
Current Variable 'A' 398,336,377	10% Voting Dilution	39,833,638 shares	39,833,638 shares	39,833,638 shares
	Funds Raised	\$398,336	\$796,673	\$1,593,346
50% increase in current Variable 'A' 597,504,566	10% Voting Dilution	59,750,457 shares	59,750,457 shares	59,750,457 shares
	Funds Raised	\$597,505	\$1,195,009	\$2,390,018
100% increase in current Variable 'A' 796,672,754	10% Voting Dilution	79,667,275 shares	79,667,275 shares	79,667,275 shares
	Funds Raised	\$796,673	\$1,593,346	\$3,186,691

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iii) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vi) The issue price is \$0.02, being the closing price of the Shares on the ASX on 26th September 2012.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
 - (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) Non-cash consideration for the acquisition of new mineral exploration and development opportunities. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) Cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration and development of its existing or new mineral projects, and general working capital, in particular for exploration drilling at the Company's Mount Fisher gold and nickel project in Western Australia and the Company's newly acquired Bonya project in the Northern Territory.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed Issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors (if available).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is possible that the allottees under the 10% Placement Facility may include vendors of the new businesses, assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder to participate in an issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

GLOSSARY

"**Annual General Meeting**" means the annual general meeting the subject of the Notice;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Company**" means Rox Resources Limited ABN 53 107 202 602;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Director Option**" means an Option the subject of Resolutions 4 and 5;

"**Explanatory Memorandum**" means the explanatory memorandum accompanying this Notice;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Meeting**" means the annual general meeting the subject of the Notice;

"**Notice**" means the notice of annual general meeting which accompanies this Explanatory Memorandum;

"**Option**" means an option to subscribe for a Share;

"**Resolution**" means a resolution proposed pursuant to the Notice;

"**Share**" means a fully paid ordinary share in the capital of the Company; and

"**WST**" means Western Standard Time.

"**VWAP**" means Volume Weighted Average Price

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

1. No monies will be payable for the issue of the Director Options.
2. Subject to condition 16:
 - (a) 50% of the Director Options will become exercisable after 30 November 2013; and
 - (b) 50% of the Director Options will become exercisable after 30 November 2014.
3. The Director Options shall expire at 5.00pm (WST) on 30 November 2015 ("**Expiry Date**"). In addition the options (if not yet exercised) will automatically lapse should the executive director cease employment, for whatever reason, with the Company.
4. Subject to conditions 13 and 14 each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Subject to condition 12 the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Options ("**Exercise Price**").
6. Subject to condition 12 the Exercise Price of Shares the subject of the Director Options shall be payable in full on exercise of the Director Options.
7. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Director Options; and
 - (b) pay the Exercise Price in full for the exercise of each Director Option.The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.
8. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
9. Subject to the requirements of the Corporations Act 2011 (Cwlth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange ("**ASX**").
10. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
11. The Company shall within five business days of any exercise of the Director Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Director Option

O = the old exercise price of the Director Option

E = the number of underlying securities into which one Director Option is exercisable

- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.
13. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
14. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
15. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
16. Notwithstanding condition 2, all Director Options may be exercised by the option holder:
- (a) in the event a takeover bid (as defined in the Corporations Act 2001) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - (b) at any time after the occurrence of an event which results in a shareholder, or group of associated shareholders, being entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the board of directors of the Company; or
 - (c) if a merger by way of scheme of arrangement under the Corporations Act 2001 has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

