

ROX RESOURCES LIMITED

ABN 53 107 202 602

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Contents

Half-Year Report	Page No.
Corporate Directory	2
Directors' Report	3
Financial Statements	6
Declaration by Directors	14
Independent Review Report	15

Corporate Directory

Directors:

Mr Jeff Gresham
Non-Executive Chairman

Mr Ian Mulholland
Managing Director

Mr Brett Dickson
Finance Director

Company Secretary:

Mr Brett D Dickson

Bankers:

Westpac Banking Corporation
40 St George's Terrace
Perth WA 6000

Auditor:

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

Telephone: (08) 9429 2222
Facsimile: (08) 9429 2436

Solicitor:

Blakiston & Crabb
1202 Hay Street
West Perth WA 6005

Telephone: (08) 9322 7644
Facsimile: (08) 9322 1506

For shareholder information contact:

Share Registry:

Computershare Registry Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Stock Exchange:

Australian Securities Exchange

Company Code:

RXL (Fully Paid Shares)
RXLO (10.0 cent, 30 June 2011 options)
RXLOA (1.5 cent, 31 July 2011 options)

Listed Securities:

341,048,695 Fully paid ordinary shares
30,160,238 10.0 cent, 30 June 2011 options
30,270,349 1.5 cent, 31 July 2011 options

Un-Listed Securities:

7,500,000 3.8 cent, 26 September 2012 options

For information on your company contact:

Principal & Registered Office:

Level 1
30 Richardson Street
West Perth WA 6005

Telephone: (08) 6380 2966
Facsimile: (08) 6380 2988
Web: www.roxresources.com.au

ROX RESOURCES LIMITED

ABN 53 107 202 602

DIRECTOR'S REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Your directors submit the financial report of the Company for the half-year ended 31 December 2010.

DIRECTORS

The names of the Company's directors in office during the financial period and until the date of this report are:

Mr Jeffrey Gresham

Mr Brett Dickson

Mr Ian Mulholland

Directors have been in office since the start of the financial period to the date of the report unless otherwise stated.

REVIEW OF OPERATIONS

The loss for the half-year ended 31 December 2010 was \$480,915 (2009: \$770,199). This loss was principally due to administrative expenses.

During the half year ended 31 December 2010 the Company had three significant achievements:

1. The acquisition of additional key tenements in the Myrtle area;
2. A significant joint venture agreed with Teck Australia Pty Ltd over the Myrtle project; and
3. Applications made for the Marqua phosphate project.

1. Acquisition of Additional Tenements

The two exploration licences acquired cover 181.8km² and give Rox a comprehensive land holding in the area, with virtually all the ground between Myrtle and the McArthur River deposit now held by Rox. Importantly, an area consisting of three sub-blocks just north of Myrtle, and possibly hosting extensions of the deposit, are included within the tenement.

The acquisition increases Rox's land holding in the project area to 669.1km², and covers a number of known base metal occurrences including the Mitchell Yard and Teena prospects.

At Mitchell Yard, a south-west plunging syncline has been identified within prospective host rocks and a large pyritic system over 1,000 metres long is present. Soil sampling has defined surface geochemical anomalies, and shallow auger drilling has returned results of 6,000ppm zinc from 3 metres and 4,000ppm zinc from 4 metres deep in adjacent holes 100 metres apart.

Previous drilling has returned results of 0.7 - 1.1% zinc in pyritic shale, with specks of lead and zinc sulphide minerals. This is similar to early exploration results from Myrtle.

At the Teena prospect, a shallow costean excavated by previous explorers averaged 4% lead over 3.6 metres width across a strike length of 60 metres. Soil sampling identified strong zinc and lead-in-soil anomalies peaking at 2,800ppm zinc and 1,600ppm lead. A historic drill hole intersected values of up to 1.9% zinc and 0.4% lead within pyritic shale at about 60 metres depth.

The tenements have been acquired from Legend International Holdings Inc. ("Legend"), a diamond and phosphate explorer/developer listed in the USA on the OTC Bulletin Board (OTCBB: LGDI), with the consideration being the issue of 3 million fully paid shares in Rox to Legend, retention of the rights to all diamonds by Legend, and a 2% net smelter royalty payable to Legend from any minerals mined other than diamonds.

2. Myrtle Zinc-Lead Project, NT

Key terms of a farm-in and joint venture with Teck Australia Pty Ltd ("Teck"), that will see accelerated exploration of the Myrtle zinc-lead deposit and surrounding tenements were announced in October 2010.

In addition to the farm-in and joint venture, Teck will also subscribe \$500,000 for 10 million shares in Rox and become one of Rox's largest shareholders behind Rio Tinto Exploration.

The key commercial terms of the Teck agreement are:

- Teck may farm-in to the tenements to earn a 51% interest by spending \$5 million over 4 years.
- Teck may earn a further 19% interest (for 70% total) by spending an additional \$10 million (\$15 million total) over an additional 4 years.
- A minimum of \$1 million to be spent by 21 July 2012, including a minimum of 2,000 metres of diamond drilling before Teck can withdraw.

Teck will be manager of the proposed joint venture while it holds a majority interest, or is sole contributor to expenditure. The agreement will cover Rox's current tenements, EL10316 and EL27541, and also the tenements recently acquired by Rox from Legend International Holdings.

The agreement is subject to satisfactory due diligence enquiries by Teck (which Teck have advised has been completed) and the satisfaction of a number of regulatory conditions. The companies are moving to finalise formal documentation as soon as possible, and since this requires approvals from various third parties and government bodies, it is expected to be completed during the first quarter of 2011.

A field trip to familiarise senior Teck personnel with the project was undertaken during November 2010. During this trip it was possible to view some drill core recently drilled at McArthur River which was peripheral to the main ore zone. The similarities between the rock types and grades of this material to the material already drilled at Myrtle were noted, and reinforced Rox's view of the strong potential of the Myrtle prospect to host a high grade orebody similar to McArthur River.

Following finalisation of documentation Teck will detail their exploration plan for the 2011 field season. Field work by Teck is expected to commence during the second quarter of 2011.

3. Marqua Phosphate Project, NT

The Marqua tenement application area is located approximately 450 km east north east of Alice Springs and covers more than 2,400km². The area is highly prospective, with high grade phosphate drill intersections already encountered as well as base metals and uranium indications.

Previous exploration of the area identified five phosphate prospects over a strike length of 20 km with outcrops grading up to 39.4% P₂O₅ along a phosphorite horizon.

The prospects occur near the southern extent of the Georgina Basin, which is recognised as Australia's major hard-rock phosphate province.

The project area is located only 250km from the nearest railhead at Phosphate Hill in QLD, and from the Western QLD gas pipeline; comparable distances as the Wonarah project (located further to the north) is to adjacent infrastructure.

Previous drilling has intersected good phosphate mineralisation at Marqua, including:

- 6m @ 19.9% P₂O₅ from 32m depth in hole QDA045
- 5m @ 23.7% P₂O₅ from 12m depth in hole QDA046
- 2m @ 45.8% P₂O₅ from 1m depth in hole QDA003
- 3m @ 25.1% P₂O₅ from 9m depth in hole QDA070
- 5m @ 26.1% P₂O₅ from 0m depth in hole QDA068
- 3m @ 21.5% P₂O₅ from 3m depth in hole QDA002

The drilling was, generally, wide-spaced (~ 300m) and as such these are encouraging results. Phosphate deposits in the Georgina Basin (e.g. Wonarah) generally cover large areas along relatively thin horizons (i.e. 1-7 metres thick) with the high grade DSO (direct shipping ore) of >30% P₂O₅ covering much smaller areas. Given the results from surface sampling and drilling to date there is potential at Marqua for a substantial phosphate target above a 15% P₂O₅ cut-off, with zones of high-grade DSO contained within it.

Marqua is well situated to supply phosphate to the growing markets in Asia and North America. Phosphate is an essential component of fertilisers for the agricultural industries around the world. There are currently no substitutes for phosphate, so the demand should keep rising with the expansion of agricultural activities in the developing and developed world.

The tenement applications are being processed by the NT Department of Resources, and should be granted to Rox during the first or second quarter of 2011.

Rox is planning to follow-up the drilling conducted so far with confirmatory surface sampling and then further drilling to expand the potential size of the deposit to enable a phosphate resource to be estimated. Follow up and assessment of the base-metal and uranium potential will also be undertaken.

Matters Subsequent to the End of the Financial Period

Since the end of the financial period the Company has reached agreement (subject to a 30 day due diligence period) to purchase the Mt Fisher gold-nickel project from Avoca Resources Limited ("Avoca"). The key commercial terms of the agreement are that Rox will acquire 100% of the Mt Fisher project for a consideration of twenty million fully paid ordinary Rox Shares issued to Avoca. Additional Rox shares will be issued to Avoca if the following milestones are met:

- a) Twenty million fully paid ordinary shares if a JORC Resource greater than two hundred and fifty thousand ounces of gold at a 0.8g/t cut-off is identified; and
- b) Ten million fully paid ordinary shares if a JORC Resource greater than one million ounces of gold at a 0.8g/t cut-off is identified.

As at the date of this report the Company is continuing its due diligence and as such the acquisition of the Mt Fisher project has not been completed.

AUDITORS INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Rox Resources Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is attached to the Independent Review Report to Members.

Signed in accordance with a resolution of the Directors.



J. GRESHAM
Director

Perth, Western Australia

Dated this 28 day of February 2011

ROX RESOURCES LIMITED

ABN 53 107 202 602

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**CONSOLIDATED**

	Note	31 December 2010 (\$)	30 June 2010 (\$)
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,776,777	795,577
Trade and other receivables		23,935	-
Prepayments		21,802	3,147
Total Current Assets		4,822,514	798,724
Non-Current Assets			
Available for sale investments		82,500	60,000
Plant & Equipment		50,471	54,378
Exploration & Evaluation		387,000	-
Total Non-Current Assets		519,971	114,378
Total Assets		5,342,485	913,102
LIABILITIES			
Current Liabilities			
Trade and other payables		90,457	68,430
Provisions		38,403	42,987
Income tax payable		8,086	8,086
Total Current Liabilities		136,946	119,503
Total Liabilities		136,946	119,503
NET ASSETS		5,205,539	793,599
EQUITY			
Contributed Equity	4	18,150,323	13,299,864
Reserves		1,228,689	1,186,293
Accumulated losses		(14,173,473)	(13,692,558)
TOTAL EQUITY		5,205,539	793,599

The above statement of financial position should be read in conjunction with the accompanying notes

ROX RESOURCES LIMITED

ABN 53 107 202 602

**STATEMENT COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010****CONSOLIDATED**

	Note	31 December 2010 (\$)	31 December 2009 (\$)
Other revenue	3	19,035	98,976
Corporate expenses		(167,389)	(100,411)
Occupancy and related expenses		(57,699)	(79,746)
Salaries, wages and superannuation		(234,807)	(222,838)
Exploration expenditure expensed		(16,253)	(446,128)
Net loss on disposal of furniture and equipment		-	(4,561)
Share based payments to employees		(19,896)	(6,230)
Depreciation		(3,906)	(9,261)
Loss before income tax		(480,915)	(770,199)
Income tax expense		-	-
Net Loss for the period after income tax		(480,915)	(770,199)
Other comprehensive income			
Net fair value gains (losses) on available-for-sale financial assets		22,500	(9,000)
Other comprehensive income for the period net of tax		22,500	(9,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(458,415)	(779,199)
- basic and diluted loss per share from operations attributable to the ordinary equity holders of the parent		(0.19)	(0.43)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

ROX RESOURCES LIMITED

ABN 53 107 202 602

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

CONSOLIDATED

	Issued Share Capital (\$)	Share Option Reserve (\$)	Available for sale Asset Reserve (\$)	Accumulated (Losses) (\$)	Total (\$)
At 1 July 2010	13,299,864	1,186,293	-	(13,692,558)	793,599
Loss for period	-	-	-	(480,915)	(480,915)
Other comprehensive income	-	-	22,500	-	22,500
Total comprehensive loss for the half year	-	-	22,500	(480,915)	(458,415)
Transactions with owners in their capacity as owners					
Issue of share capital	5,108,154	-	-	-	5,108,154
Share issue costs	(257,695)	-	-	-	(257,695)
Share-based payments	-	19,896	-	-	19,896
Balance as at 31 December 2010	<u>18,150,323</u>	<u>1,206,189</u>	<u>22,500</u>	<u>(14,173,473)</u>	<u>5,205,439</u>
At 1 July 2009	12,074,860	878,043	9,000	(12,476,440)	485,463
Loss for period	-	-	-	(770,199)	(770,199)
Other comprehensive income	-	-	(9,000)	-	(9,000)
Total comprehensive loss for the half year	-	-	(9,000)	(770,199)	(779,199)
Transactions with owners in their capacity as owners					
Issue of share capital	1,634,120	-	-	-	1,634,120
Share issue costs	(409,791)	-	-	-	(409,791)
Share-based payments	-	277,771	-	-	277,771
Balance as at 31 December 2009	<u>13,299,189</u>	<u>1,155,814</u>	<u>-</u>	<u>(13,246,639)</u>	<u>1,208,364</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ROX RESOURCES LIMITED

ABN 53 107 202 602

**STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
31 DECEMBER 2010**

		CONSOLIDATED	
	Note	31 December 2010	31 December 2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(485,041)	(443,616)
Payments for exploration activities		(16,253)	(388,306)
Net cash flows used in operating activities		(501,294)	(831,922)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		19,035	5,975
Proceeds from sale of investments		-	155,865
Net cash flows from investing activities		19,035	161,840
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,721,154	1,634,120
Payments for share issue expenses		(257,695)	(138,249)
Security bonds repaid		-	26,850
Net cash flows from financing activities		4,463,459	1,522,721
Net increase in cash and cash equivalents		3,981,200	852,639
Cash and cash equivalents at beginning of period		795,577	423,389
Cash and cash equivalents at end of period	5	4,776,777	1,276,028

The above statement of cash flows should be read in conjunction with the accompanying notes

ROX RESOURCES LIMITED

ABN 53 107 202 602

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Basis of Preparation

This general-purpose condensed financial report for the half year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Rox Resources Limited during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in Accounting Policy

From 1 July 2010 the Company has adopted all Australian Accounting Standards and Interpretations mandatory for annual reports beginning on or after 1 July 2010, including:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	<p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following:</p> <p>The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.</p> <p>The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.</p> <p>The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes.</p> <p>The main change to AASB 139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.</p> <p>The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.</p>	1 January 2010	1 July 2010

ROX RESOURCES LIMITED

ABN 53 107 202 602

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Cont'd)

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	<p>This Standard makes amendments to Australian Accounting Standard AASB 2 Share-based Payment and supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions.</p> <p>The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction.</p> <p>The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.</p>	1 January 2010	1 July 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	<p>The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.</p>	1 January 2010	1 July 2010
Interpretation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	<p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>	1 January 2010	1 July 2010
AASB 2010-3	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, 7, 121, 128, 131, 132 & 139]	<p>Limits the scope of the measurement choices of non-controlling interest to instruments that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation. Other components of NCI are measured at fair value</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree’s share-based payment transactions (whether obliged or voluntary), in a consistent manner i.e., allocate between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Clarifies that the revised accounting for loss of significant influence or joint control (from the issue of IFRS 3 Revised) is only applicable prospectively.</p>	1 July 2010	1 July 2010

Adoption of these Standards did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

ROX RESOURCES LIMITED

ABN 53 107 202 602

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: OPERATING SEGMENTS

Identification of Reportable Segments

The Company has based its operating segment on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Company currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and country of expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Based on this criteria, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

CONSOLIDATED

	31 December 2010	31 December 2009
	\$	\$

NOTE 3: REVENUE, INCOME AND EXPENSES

Loss from ordinary activities before income tax expense includes the following revenue and expenses whose discussion is relevant in explaining the financial performance of the entity:

(a) Other revenue		
Interest revenue	19,035	5,975
Net gain on disposal of available-for-sale financial assets	-	93,001
	<u>19,035</u>	<u>98,976</u>

NOTE 4: SHARE CAPITAL

	Shares	\$
Balance at 1 July 2009	108,580,426	12,074,860
Issued on 1 September 2009 at \$0.015 per share	108,580,426	1,628,706
Issued on 9 October 2009 at \$0.015 per share	79,732	1,196
Issued on 5 November 2009 at \$0.015 per share	276,167	4,143
Issued on 8 December 2009 at \$0.015 per share	5,000	75
Share issue expenses	-	(409,791)
Balance as at 31 December 2009	<u>217,521,751</u>	<u>13,299,189</u>

ROX RESOURCES LIMITED

ABN 53 107 202 602

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 4: SHARE CAPITAL (cont'd)

	Shares	\$
Balance at 1 July 2010	217,566,751	13,299,864
Issued on 23 July 2010 at \$0.015 per share	20,000,000	300,000
Options exercised on 24 September 2010 at \$0.015 per share	802,720	12,041
Issued on 1 November 2010 at \$0.029 per share	3,000,000	87,000
Options exercised on 1 November 2010 at \$0.015 per share	3,429,590	51,444
Options exercised on 1 November 2010 at \$0.038 per share	2,500,000	95,000
Options exercised on 4 November 2010 at \$0.038 per share	1,250,000	47,500
Options exercised on 15 November 2010 at \$0.015 per share	470,000	7,050
Options exercised on 24 November 2010 at \$0.015 per share	2,493,884	37,408
Issued on 24 November 2010 at \$0.050 per share	76,000,000	3,800,000
Issued on 24 December 2010 at \$0.050 per share	13,405,000	670,250
Options exercised on 31 December 2010 at \$0.015 per share	30,750	461
Share issue expenses	-	(257,695)
Balance at 31 December 2010	340,948,695	18,150,323

CONSOLIDATED

	31 December 2010	31 December 2009
	\$	\$

NOTE 5: CASH AND CASH EQUIVALENTS

For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised the following.

Cash at bank and in hand	4,776,777	1,276,028
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NOTE 6: COMMITMENTS AND CONTINGENCIES

There are no changes to the commitments and contingencies disclosed in the most recent annual financial report.

NOTE 7: EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial period the Company has reached agreement (subject to a 30 day due diligence period) to purchase the Mt Fisher gold-nickel project from Avoca Resources Limited ("Avoca"). The key commercial terms of the agreement are that Rox will acquire 100% of the Mt Fisher project for a consideration of twenty million fully paid ordinary Rox Shares issued to Avoca. Additional Rox shares will be issued to Avoca if the following milestones are met:

- c) Twenty million fully paid ordinary shares if a JORC Resource greater than two hundred and fifty thousand ounces of gold at a 0.8g/t cut-off is identified; and
- d) Ten million fully paid ordinary shares if a JORC Resource greater than one million ounces of gold at a 0.8g/t cut-off is identified.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operation of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

As at the date of this report the Company is continuing its due diligence and as such the acquisition of the Mt Fisher project has not been completed.

ROX RESOURCES LIMITED

ABN 53 107 202 602

DECLARATION

In accordance with a resolution of the directors of Rox Resources Limited, I state that:

In the opinion of the directors

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31st December 2010 and the performance for the half year ended on that date of the consolidated entity.
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



J. GRESHAM

Director

Perth, Western Australia

Dated this 28 day of February 2011

To the members of Rox Resources Limited

Report on the Half-Year or Interim Financial Report

We have reviewed the accompanying half-year financial report of Rox Resources Limited, which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rox Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

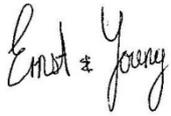
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rox Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized, handwritten signature of the Ernst & Young firm.

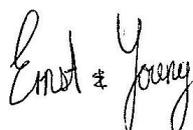
Ernst & Young

A handwritten signature in black ink, likely belonging to R J Curtin.

R J Curtin
Partner
Perth
28 February 2011

Auditor's Independence Declaration to the Directors of Rox Resources Limited

In relation to our review of the financial report of Rox Resources Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of the Ernst & Young firm.

Ernst & Young

A handwritten signature of R J Curtin.

R J Curtin
Partner
28 February 2011