



18 May 2004

Dear Shareholder

On behalf of Alistair Cowden and Michael Blakiston, my fellow Board members, I would like to thank you for your support of the Rox Resources initial public offering. As you know Rox listed on the Australian Stock Exchange (ASX) on 27 April 2004.

The current weakness in commodity prices has caused most stock prices to fall, and unfortunately Rox has been no exception. However, when the effects of the devaluation of the Australian dollar are also taken into account, commodity prices in Australian dollar terms have not changed that much. This is significant for an all Australian company like Rox because all of our costs and revenue are in Australian dollars, and these variables have not changed much at all.

In a recent ASX release I announced that we will be commencing our first drilling program of 2,000 metres at Menzies. Drilling has now started and our results should be available by late May / early June. I have enclosed a copy of the ASX release for your information.

Rox will have an active exploration and development program in operation over the next few months, hopefully culminating in the identification of mineable ore reserves to produce a solid cash flow for the company.

A survey of companies of similar size and assets shows that Rox has one of the highest cash/share ratios and represents one of the best values per resource ounce of its peers.

Therefore I encourage you to continue to support Rox, and thank you for your support so far. Should you wish to discuss the company, our progress or prospects please contact me on (08) 9486 4537 or by email on admin@roxresources.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ian Mulholland", written over a light blue background.

IAN MULHOLLAND
Managing Director



ASX RELEASE
23 April 2004

ROX RESOURCES LISTS ON ASX, TO COMMENCE DRILLING

Rox Resources Limited ("Rox") will commence trading at 1.00pm E.S.T. (11.00 am W.S.T.) on Tuesday 27 April 2004.

Rox raised \$4.5 million to develop the historic Menzies goldfield, 130km north of Kalgoorlie in WA after the successful conclusion of an over-subscribed Public Offer. The over-subscription was accommodated from the shortfall from the Priority Offer to shareholders of vendor company Deep Yellow Limited.

An initial 2,000 metre RC drilling campaign targeted at the priority targets of Selkirk, First Hit, Lady Harriet South and Lady Sherry will commence immediately.

Rox's aim for the next 6 months is to rapidly increase its current resource base of 153,000 ounces gold and to identify mineable ore reserves at Menzies by:

- Drilling for extensions to high-grade resources at Selkirk and First Hit,
- Follow-up drilling of shallow RAB/RC drill intercepts at Lady Harriet South and Lady Sherry,
- RAB drilling of soil anomalies, and
- Evaluate the opportunity to commence mining from known resources next to existing open pits.

Mr Max Maczurad has joined the Company as Senior Geologist for the Menzies project. Mr Maczurad has over 25 years experience in the exploration and mining industry, with significant exposure to gold and nickel exploration, development and production.

An exploration office at Menzies has also been established with all facilities necessary to support the field activities.

High-grade Resources

Rox has identified high-grade resources that may be developed using underground methods from the bottom of existing open pits at Selkirk of 18,000 tonnes grading 8.95 g/t Au, and at First Hit of 20,000 tonnes grading 10.35 g/t Au (see Figure 1 and Table 1). Further study of these resources show that a small amount of additional drilling is needed for resource definition before mining studies commence.

Previous drilling results being followed up include:

Selkirk

1 metre @ 12.2 g/t Au
4 metres @ 8.4 g/t Au
2 metres @ 24.1 g/t Au
2 metres @ 33.0 g/t Au
2 metres @ 17.4 g/t Au

First Hit

5 metres @ 44.9 g/t Au
6 metres @ 16.3 g/t Au
1 metre @ 16.2 g/t Au
1 metre @ 14.7 g/t Au
8 metres @ 83.2 g/t Au

RAB/RC targets

Ten (10) targets defined by previous RC and RAB drilling have been assessed and prioritized for further drilling (Figure 2). Two of these targets, Lady Harriet South (target R11) and Lady Sherry (targets R1 and R2) will be assessed in the initial drilling program. Previous drilling results include:

Lady Harriet South

6 metres @ 7.6 g/t Au
7 metres @ 9.7 g/t Au
2 metres @ 20.1 g/t Au

Lady Sherry

2 metres @ 16.0 g/t Au
2 metres @ 10.5 g/t Au
5 metres @ 6.4 g/t Au

The mineralisation south of the Lady Harriet pit is particularly attractive, with wide zones of potentially open pit material already identified by previous drilling. It is anticipated that this mineralisation, together with identified resources lying below the current Lady Harriet pit could be developed in a relatively short time frame. Resources at Lady Harriet have been estimated to be 89,400 tonnes grading 1.79 g/t Au (Table 1), however there are high-grade zones (such as those listed above) within this resource which will be targeted by the planned drilling.

Lady Sherry is an area of old workings situated between the existing First Hit and Selkirk pits. Resources at Lady Sherry have been estimated as 30,800 tonnes grading 1.89 g/t Au (Table 1), although the high-grade zone (defined by drill intercepts such as those above) presents an attractive drilling and development target.

RAB Drilling of Soil Anomalies

A number of soil anomalies (Figure 3) that lie along mineralised structures will be investigated by RAB drilling. The company is currently assessing these anomalies and planning the drilling which will take place within the next 3 months. In addition the company will be assessing the current RAB drilling coverage with a view to extending it over areas considered prospective for gold mineralisation.

Scoping Study

Rox has inherited a large database, compiled by several companies that have operated in the area over the last 15 years. Database consultants, IO Digital are validating and verifying the data. Once this is complete, Rox will assess the economics of the current resources. This will involve evaluation of pit cutback alternatives and/or underground exploitation. This initial work is anticipated to take about 3 months to complete. If results are positive it is likely the company will commence feasibility studies on proposed operations.

For more information: Ian Mulholland
 Managing Director
 Rox Resources
 Ground Floor, 1 Havelock Street
 West Perth WA 6005
 Tel: 08-9481-6888

The information on mineralisation contained in this statement accurately reflects information compiled by Mr Ian Mulholland B.Sc (Hons), M.Sc., F.Aus.I.M.M., F.A.I.G., and Mr Malcolm Castle B.Sc (Hons), M.Aus.I.M.M., who are Competent Persons (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in relation to such mineralisation. Mr Castle and Mr Mulholland have given permission for the information to be included in this statement. Mr Mulholland is a full time employee of the Company.

Table 1: Menzies Resources

Prospect	Measured		Indicated		Inferred		Total		
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
First Hit	4,500	13.20	7,500	10.50	8,000	8.60	20,000	10.35	6,654
Queensland Menzies	18,400	2.50	8,100	2.21	25,000	2.20	51,500	2.31	3,823
Golden Age	24,500	2.10	9,474	1.65	4,000	1.20	37,974	1.89	2,311
Selkirk			8,066	12.12	10,000	6.40	18,066	8.95	5,201
Lady Sherry	11,800	1.70	13,011	2.29	6,000	1.40	30,811	1.89	1,873
Unknown	22,000	2.30	5,654	2.78	3,500	1.90	31,154	2.34	2,346
Lady Shenton			400,000	3.11	40,000	2.50	440,000	3.05	43,211
Lady Harriet			89,471	1.79			89,471	1.79	5,149
South Dump	12,000	2.70	7,500	2.92	2,000	2.30	21,500	2.74	1,894
Yunndaga			150,000	2.50	680,000	2.40	830,000	2.42	64,527
Aspacia			7,000	3.40	12,000	3.20	19,000	3.27	2,000
Warrior			50,150	1.84			50,150	1.84	2,967
Total	93,200	2.79	755,926	2.87	790,500	2.51	1,639,626	2.69	141,953
Lady Irene	5,027	3.21	54,362	3.29	35,044	4.74	94,433	3.82	11,610
Grand Total	98,227	2.81	810,288	2.90	825,544	2.60	1,734,059	2.75	153,563

Note: The accuracy of the tonnage, grade and ounces calculations are as reported in various source documents.



Figure 1: Menzies Project Deposit Locations

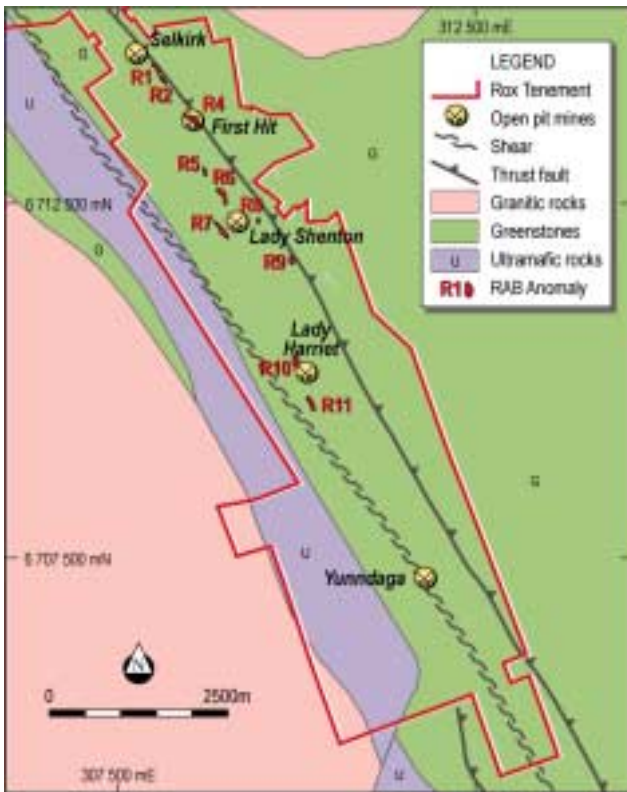


Figure 2: Menzies Project RAB/RC Target Locations

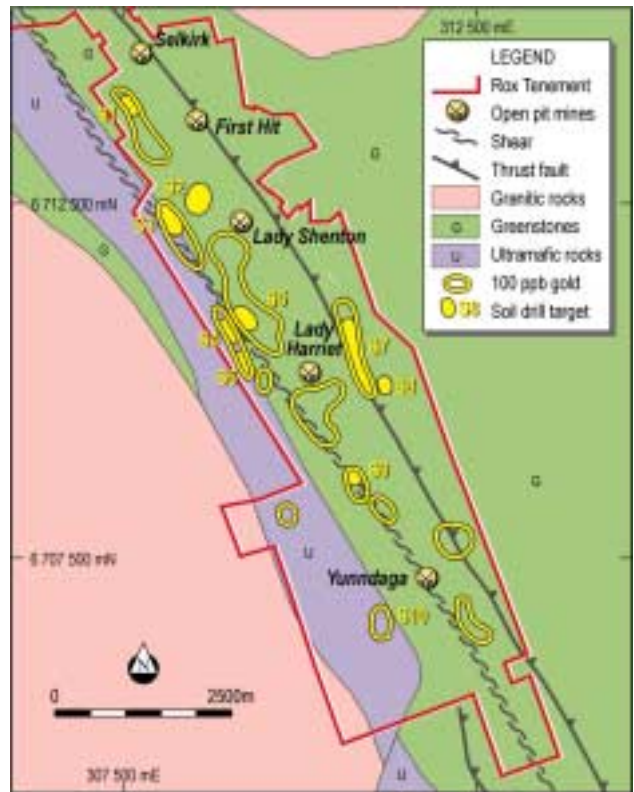


Figure 3: Menzies Project Soil Anomaly Locations