



ASX AND MEDIA RELEASE  
5 April 2005

**ROX TO ACQUIRE MAJOR ZINC OPPORTUNITY IN LAOS**

Rox Resources (ASX: RXL; Rox) today announced that it has reached agreement with First Pacific Mining Lao Co. Ltd (First Pacific) to acquire a 60% interest in the sulphide portion of the Pha Luang zinc-lead-silver mine which lies 160 kilometres north of Vientiane, the capital city of the Lao People's Democratic Republic (Laos).

Rox Resources' Managing Director, Mr Ian Mulholland, said the project is an extremely exciting opportunity as the lateral, along strike and across strike extents of the zinc-lead-silver oxide deposits at Pha Luang, and the intensity and widths of surface mineralisation, suggest that this area has the potential to host a zinc-lead-silver province of world class proportions.

Rock chip samples taken by Rox of zinc oxide mineralisation graded up to 51% zinc. Samples from mixed lead-zinc oxide-carbonate mineralisation graded up to 32% lead and 24% zinc, and a sample of partly oxidised galena (lead sulphide) assayed 74% lead and 400 g/t silver.

"It is rare to find occurrences of high grade (plus 50% zinc) mineralisation over 10 kilometres of strike, and a well understood carbonate-hosted geological model in an area that has had no drilling," said Mr Mulholland.

"Our local partner is strong and credible and is currently mining oxide zinc at grades exceeding 30% zinc. We will be working closely with First Pacific to quickly commence drilling."

"The acquisition will be a company maker for Rox if a large zinc-lead-silver sulphide deposit is delineated beneath the near-surface oxide mine. We are also excited about the pathway this deal creates for Rox to enter into other prospective projects in Laos with First Pacific."

Laos has a track record of successful Australian mine development that includes companies such as Oxiana and Pan Australian.

Rox has agreed to acquire the interest for an initial consideration of 2 million Rox shares. Subject to meeting specified milestones on the project and completing a positive feasibility study, Rox has also agreed to issue up to a further 12 million Rox shares to First Pacific.

**FOR FURTHER INFORMATION PLEASE SEE THE ATTACHED DETAILED ANNOUNCEMENT OR CONTACT:**

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Ann Nahajski, Porter Novelli  
Tel: (08) 9386 1233

Attachment: ASX Announcement

## INTRODUCTION

Rox Resources has reached an agreement to acquire a 60% interest in the sulphide portion of the Pha Luang zinc-lead mine which lies 160 kilometres north of Vientiane, the capital city of the Lao People's Democratic Republic (Laos) (Figure 1).

The lateral, along strike and across strike extent of the zinc-lead-silver oxide outcrops at Pha Luang, and the intensity and widths of surface mineralisation, suggest that this area has the potential to host a zinc-lead province of world class proportions.

Rock chip samples taken by Rox of zinc oxide mineralisation graded up to 51% zinc. Samples from mixed lead-zinc oxide-carbonate mineralisation graded up to 32% lead and 24% zinc, and a sample of partly oxidised galena (lead sulphide) assayed 74% lead and 400 g/t silver.

## PHA LUANG MINE

First Pacific Mining Lao Co. Ltd (First Pacific) is currently mining and processing high-grade zinc oxide ore at a grade exceeding 30% and producing zinc metal ingots for sale to the Chinese market.

Limited surface exploration in the vicinity of outcropping mineralisation has defined a shallow Inferred Oxide Resource of 800,000 tonnes grading 15.3% zinc (Zn), 5.8% lead (Pb) and 70 g/t silver (Ag) within eight (8) separate deposits over a strike length of 10 km. Resources are defined by limited trenching and mapping to a maximum depth of 20 metres and no exploration or drilling below this has been undertaken. The oxide deposits are almost certainly the weathered expression of massive and breccia hosted zinc-lead sulphides in fresh rock.

The mine is located on the top of the Pha Luang range of limestone hills which rise up to 1,400 metres above the surrounding countryside. First Pacific holds a granted mining concession covering 20 km<sup>2</sup> within a surrounding exploration permit of 48 km<sup>2</sup> (Figure 2).

Mineralisation within the mine occurs in steeply dipping zones of massive hydrozincite ( $Zn_5(CO_3)_2(OH)_6$ ), limestone breccia hosted hydrozincite, and zones of massive hydrozincite, smithsonite ( $ZnCO_3$ ) and cerrusite ( $PbCO_3$ ). Barite ( $BaSO_4$ ) is also abundant. Mineralisation is hosted in massive and brecciated Permian limestones.

Rock chip samples taken by Rox of zinc oxide mineralisation graded up to 51% zinc. Samples from mixed lead-zinc oxide-carbonate mineralisation graded up to 32% lead and 24% zinc, and a sample of partly oxidised galena (lead sulphide) assayed 74% lead and 400 g/t silver.

Multiple zones of mineralisation up to 10 metres thick occur over widths of 50 metres at the mine, where mineralisation can be traced along strike for up to 400 metres. The deposits identified to date together with a number of other zinc-lead oxide mineralised outcrops, occur over 10 kilometres of strike, some 400 metres of vertical elevation within the range of hills and over 2 kilometres across strike. There has been no systematic exploration to determine the lateral extent of these individual deposits or to locate additional deposits.

The style and mineralogy of the mineralisation suggests these are "Mississippi Valley Type" carbonate hosted deposits. The best known example of these in Australia are the Lennard Shelf deposits in the north Kimberley region of Australia, which hosted in excess of 20 million tonnes grading at better than 10% combined Pb-Zn. The target on First Pacific's mining concession is for a similar or better deposit. The deposits typically produce a very clean low-iron zinc concentrate that attracts premium prices.

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## **INFRASTRUCTURE**

The project is situated close to the main north-south bitumen highway through Laos, and is adjacent to power lines, water supplies and established towns. Relief in the area is moderate to extreme, however road access to the top of the range has been established, and the high relief will aid the underground mining techniques envisaged. There is abundant water for process needs, and there is ample suitable ground for establishment of mine infrastructure. The town of Vangvieng is 15 km south of the mine area.

## **ABOUT LAOS**

The Lao People's Democratic Republic (Lao PDR) is located on the Indo-China Peninsula, is bordered by Thailand, Myanmar, China, Vietnam and Cambodia, and covers an area of 237,000 km<sup>2</sup> (similar in size to the State of Victoria). After many changes of its political system, political stability was achieved in 1975 when the Lao PDR was established by independence party the Pathet Lao.

Laos has promoted economic liberalisation since 1986 with a shift from a planned economy towards a free market system. The result was a shift towards a market-based economy, which guarantees amongst other things, the right for each Lao citizen to own private property and provides protection for both domestic and foreign investment. From 1993 to 1997 the country enjoyed strong annual economic growth of 7% p.a., and after the Asian financial crisis, it has again enjoyed strong economic growth from 2002 to 2004 of about 5.8% p.a. In 1997 Laos was admitted to the Association of South East Asian Nations (ASEAN) and is in the process of joining the World Trade Organisation (WTO).

2002 was the 50<sup>th</sup> anniversary of the establishment of diplomatic relations between Australia and Laos. According to the Department of Foreign Affairs and Trade, Australia enjoys a positive reputation in Laos both as a result of this long unbroken relationship and a high profile development cooperation program.

The Mining and Foreign Investment Laws in Laos allow foreign investment as evidenced by recent activity by three Australian companies, Oxiana, Pan Australian and Argonaut. Many Chinese and Thai companies have been investing in Laos mining and infrastructure projects for years.

Oxiana has successfully developed the Sepon gold-copper mine, which is the single largest capital investment in Laos. Pan Australian recently received funding for construction of their Phu Bia gold-copper project in Laos, 60km from the Pha Luang zinc mine.

## **COMMERCIAL TERMS**

Subject to completion of satisfactory due diligence and the obtaining of all necessary government approvals, Rox may acquire a 60% interest in the project as follows:

1. Issue of 2 Million Rox shares to First Pacific at completion of due diligence.
2. Upon reaching a JORC compliant resource of 4 million tonnes grading >10% combined zinc-lead at a 3% zinc-lead cut-off, issue First Pacific 3 million Rox shares.
3. Complete a feasibility study, and if positive, issue 9 million Rox shares to First Pacific.

In addition, Rox will have first right of refusal for 2 years to acquire interests in First Pacific's extensive portfolio of Lao mining projects, which include a coal deposit (currently being mined), an iron ore project, and a gold project covering an area of 800 km<sup>2</sup>.

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The joint venture with First Pacific offers Rox a quick entry into the country with an established and credible Lao mining company, as this partner has extensive contact networks within Laos and with various government agencies. First Pacific will assist Rox to obtain the necessary foreign investment approvals from government.

Rox will explore and develop the sulphide portions of the deposits. First Pacific will continue to mine and process the oxide portion of the deposits and Rox will have no interest in the current mine.

**FOR FURTHER INFORMATION CONTACT:**

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

Ann Nahajski, Porter Novelli  
Tel: (08) 9386 1233

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

- ENDS -

**ABOUT ROX**

Rox was listed on the ASX on 27 April 2004, after raising \$4.5 million in its IPO.

Rox is a Perth-based exploration company with a portfolio of projects in Australia and South Africa. Current resources at the historic million ounce Menzies gold project in Western Australia total 170,900 ounces grading 2.5 g/t Au. In South Africa Rox has a number of alluvial and kimberlite diamond projects.

Rox has set about to expand its project portfolio and is actively looking at projects worldwide to become an multi-national multi-commodity resource company.

Rox had \$2.5 million in cash reserves as at 31 December 2004.

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Figure 1: Location Map

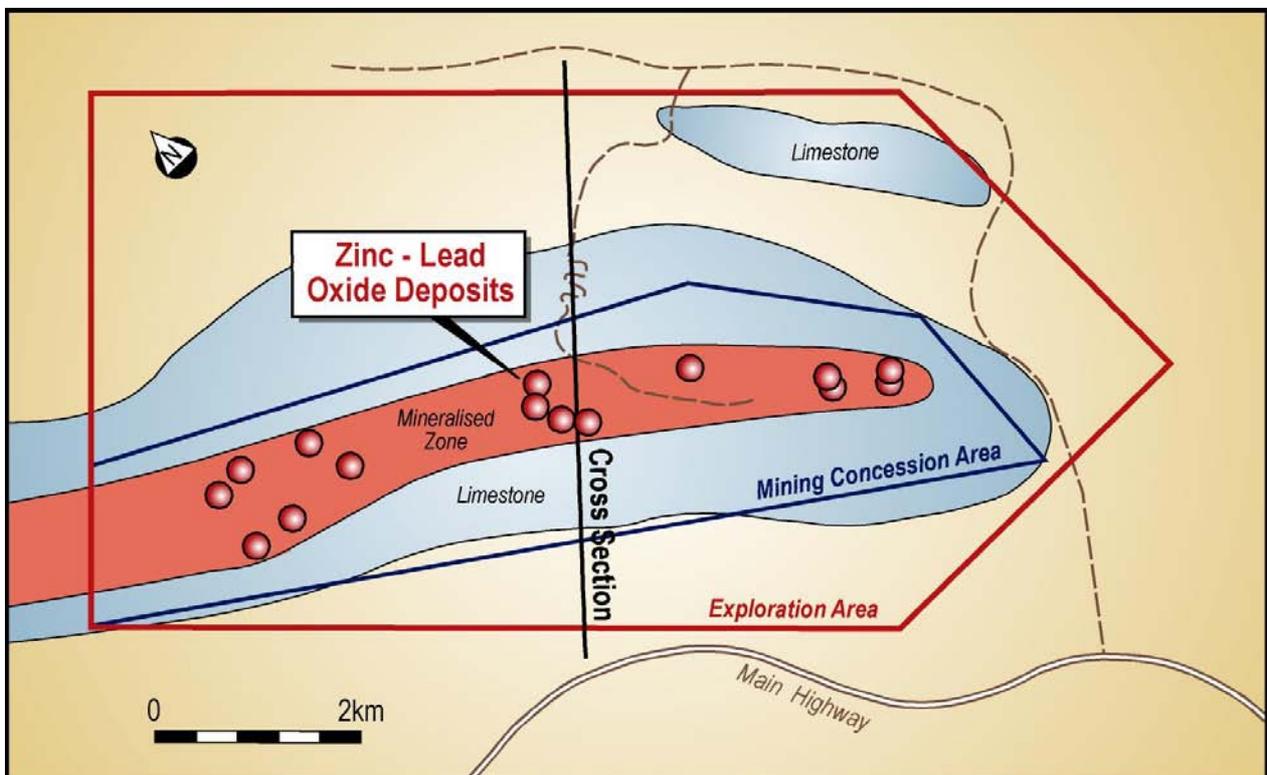


Figure 2: Pha Luang Geology and Oxide Resource Locations

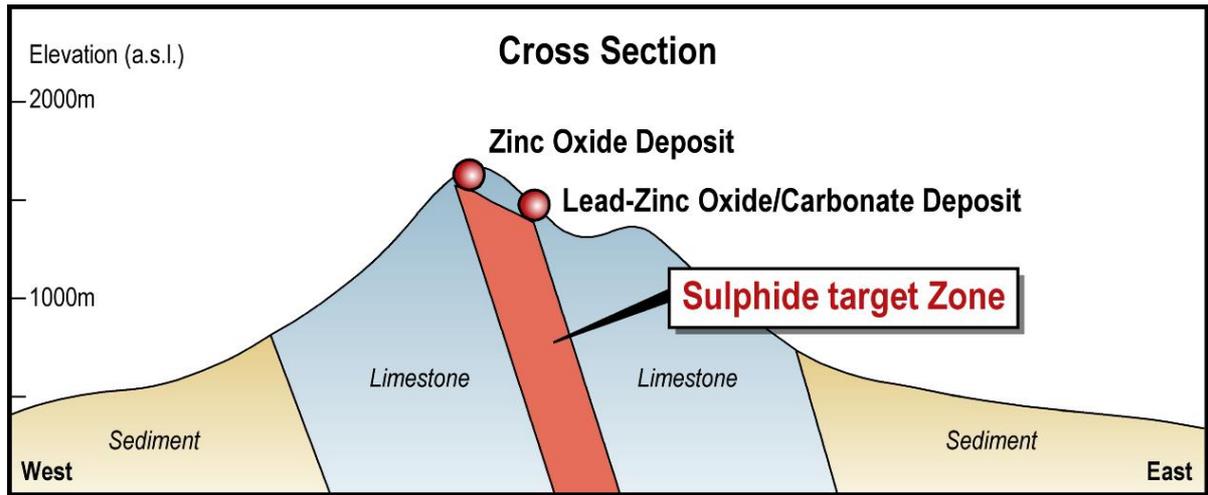
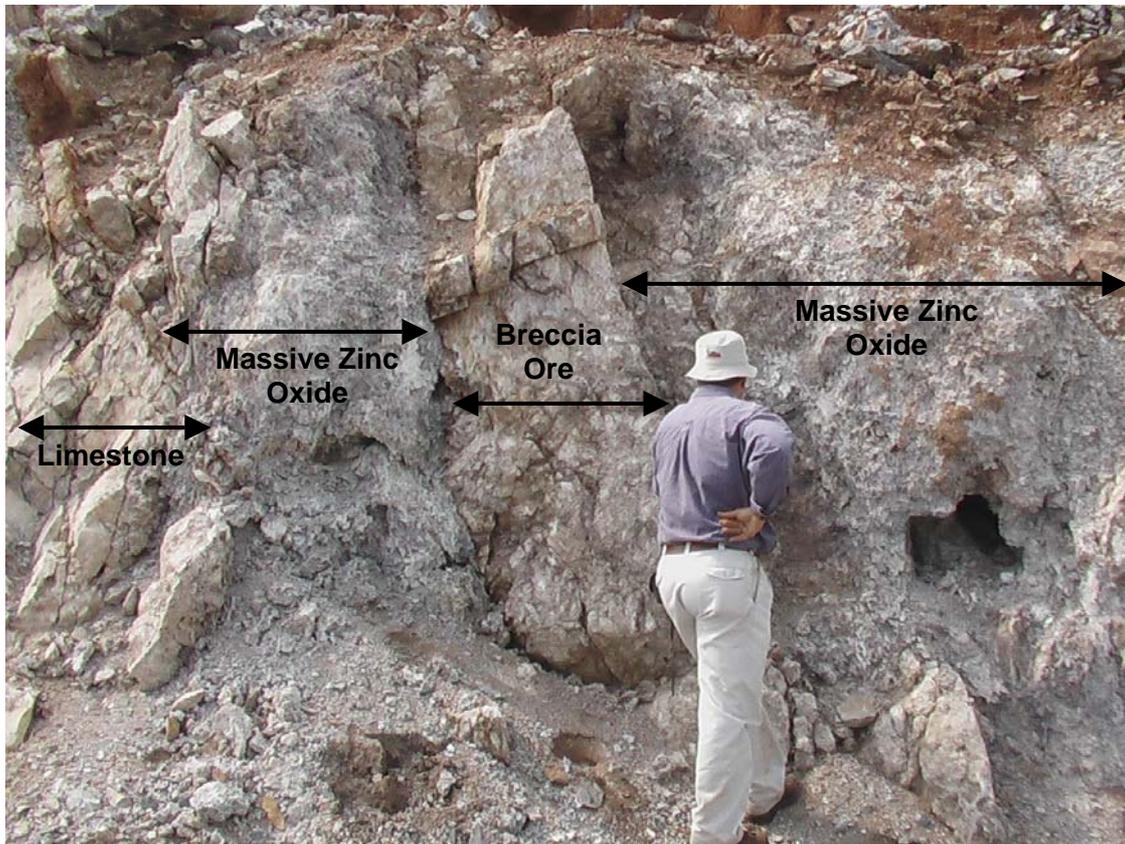


Figure 3: Cross Section



Zinc oxide mineralisation within limestone host



**Brecciated limestone with matrix of barite, zinc-lead oxide and carbonate**

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