

ASX/MEDIA RELEASE

21 July 2010

REMOVAL OF DECISION TO MINE PAYMENT ON MYRTLE PROJECT

- **Significant encumbrance to development removed**
- **Rio Tinto subsidiary to become Rox's major shareholder**
- **Strong exploration target for high-grade mineralisation**

Rox Resources Limited (ASX: RXL) ("Rox") is pleased to announce it has reached an agreement with North Mining Limited ("North"), a 100% subsidiary of Rio Tinto Limited, for the removal of a significant encumbrance over the Reward project and the Myrtle deposit in the Northern Territory.

The agreement will establish North (or a wholly-owned member of the Rio Tinto group) as Rox's largest individual shareholder.

Under the terms of the Sale and Purchase Agreement between Rox and North for the Reward project, dated 17 September 2008, North is entitled to a lump sum cash payment of A\$1/tonne of the mineable resources stated in a Bankable Feasibility Study payable upon a Decision to Mine.

Agreement has been reached with North for the removal of this lump sum cash payment in return for the issue of 20 million ordinary Rox shares. Under the terms of the Sale and Purchase Agreement, North will retain the right to receive a 2% net smelter return royalty.

Rox Chairman, Mr Jeff Gresham, said that over the last two years the Myrtle deposit had developed into a significant new zinc discovery. However, it was evident that the lump sum payment was becoming a significant impediment to the further development of Myrtle.

"We are very pleased to have concluded this arrangement with North which clears the path for Rox to expand the resource and evaluate development options without needing to consider the payment to North if a decision to mine were made," Mr Gresham said.

The Myrtle zinc deposit currently has an indicated and inferred resource of **15.3 million tonnes grading 5.45% zinc and 1.40% lead for 6.84% combined zinc + lead** (see Table 1), and is set to expand with further drilling.

Rox Managing Director, Mr Ian Mulholland, said that the agreement was a positive outcome for both Rox and the Myrtle project and welcomed North as Rox's biggest shareholder with approximately 8.4% of the issued shares.

"Given the potential size of the deposit at Myrtle, this agreement removes what could have been a multi-million dollar payment," Mr Mulholland said.

Rox has developed a strong exploration target for high-grade mineralisation at Myrtle (see Figures 1 and 2) based on clear analogies with the adjacent world class McArthur River deposit (pre-mining resource of 227 million tonnes grading 9.2% zinc, 4.1% lead, 41g/t silver). Drilling of the high grade target is expected during the second half of 2010.

In addition, the discovery of new mineralisation at the Eastern Zone (Figure 1), which remains open along strike and at depth, has not been included in the mineral resource and warrants aggressive follow up.

- ENDS -

For More Information:

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About Rox Resources

Rox Resources (ASX: RXL) is an Australian exploration company focussing on zinc-lead deposits, particularly deposits of the Mississippi Valley Type (MVT) and Sedimentary Exhalative Type (SEDEX).

Rox owns 100% of the Reward project tenement which covers 379km² adjacent to the world class McArthur River zinc-lead deposit in the Northern Territory. A SEDEX style deposit has been identified by Rox at the Myrtle prospect, where an Inferred Mineral Resource of 43.6 million tonnes grading 4.09% Zn and 0.95% Pb has been delineated. Thick drill intercepts of prospective stratigraphy carrying significant zinc-lead grades have already been made but only a small portion of the prospective area has been drilled, and Rox is extremely confident the resource will continue to grow with further drilling. A higher grade core of 15.3 million tonnes grading 5.45% Zn and 1.40% Pb is present, and a large mineralised system is indicated.

IP and EM geophysical surveying, soil sampling and geologic interpretation also indicate the potential for shallow near surface mineralisation which may be exploitable by open pit mining. Several other prospects in the tenement area have similar potential to Myrtle but are at an early stage of exploration.

Rox continues to actively review potential new opportunities, particularly in Australia and South East Asia.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Mulholland BSc (Hons), MSc, FAusIMM, FAIG, FSEG, MAICD, who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Mulholland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mulholland is a full time employee of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1: Myrtle Deposit Mineral Resource

| Cut-off Zn+Pb% | Category | Tonnes (Mt) | Zn % | Pb % | Zn+Pb % | Zn kt | Pb kt | Zn+Pb kt |
|----------------|-----------|-------------|-------------|-------------|-------------|--------------|------------|--------------|
| 3 | Indicated | 5.8 | 3.56 | 0.90 | 4.45 | 205 | 52 | 257 |
| 3 | Inferred | 37.8 | 4.17 | 0.95 | 5.12 | 1,575 | 361 | 1,936 |
| TOTAL | | 43.6 | 4.09 | 0.95 | 5.03 | 1,780 | 412 | 2,193 |
| | | | | | | | | |
| 5 | Indicated | 1.2 | 5.38 | 1.42 | 6.80 | 64 | 17 | 81 |
| 5 | Inferred | 14.1 | 5.45 | 1.39 | 6.85 | 768 | 196 | 965 |
| TOTAL | | 15.3 | 5.45 | 1.40 | 6.84 | 833 | 213 | 1,046 |

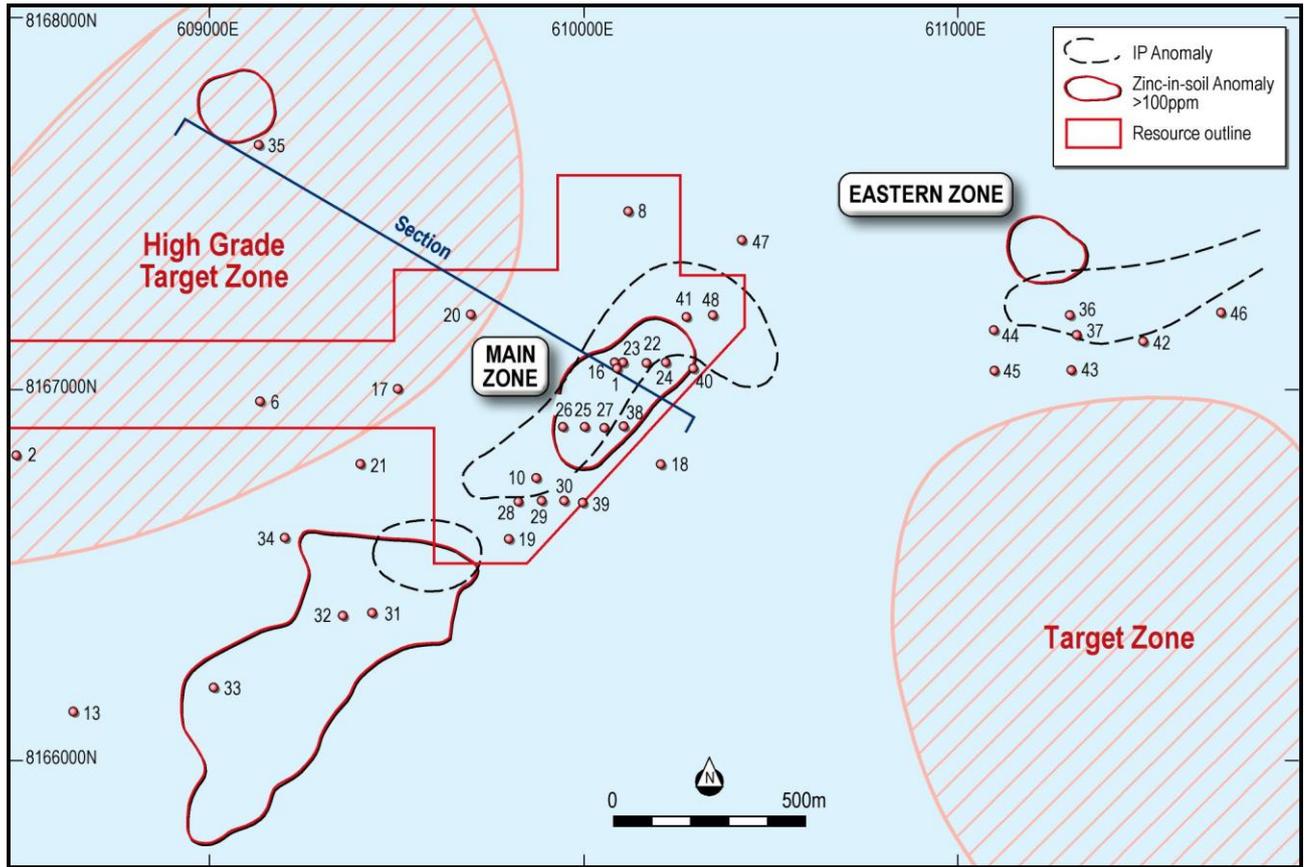


Figure 1: Myrtle Drill Plan and High Grade Target Zones

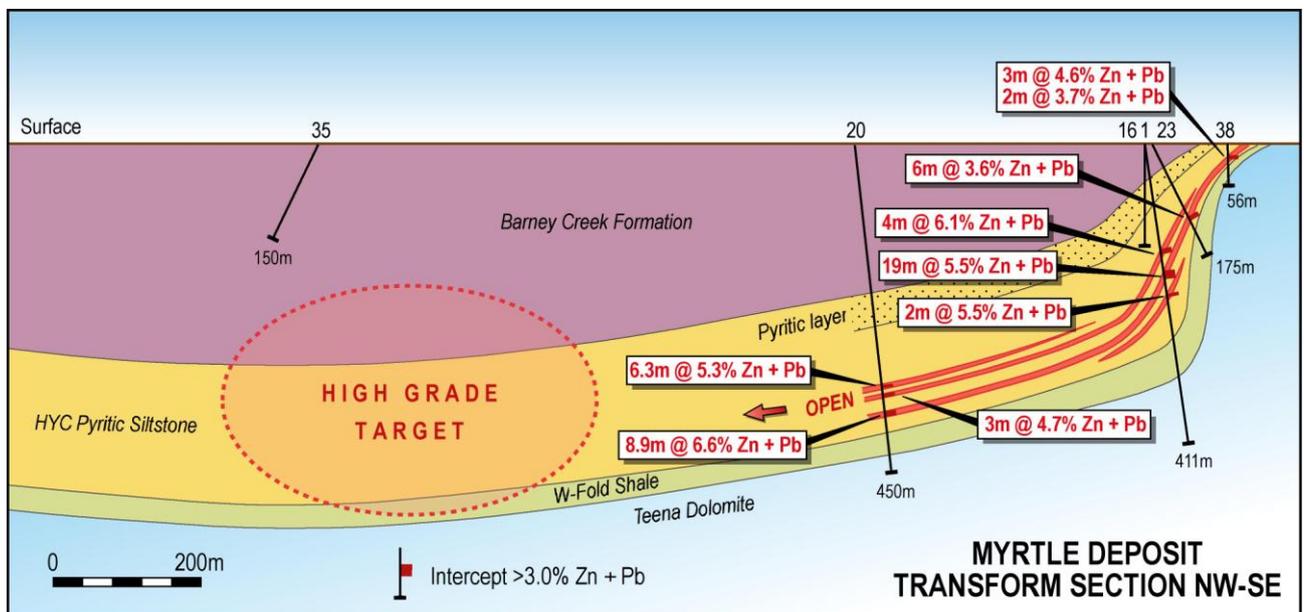


Figure 2: Myrtle Deposit, Transform Section NW-SE