

# **ROX RESOURCES LIMITED**

**ABN 53 107 202 602**

## **RENOUNCEABLE RIGHTS ISSUE PROSPECTUS**

For a pro-rata renounceable rights issue of approximately 36,193,214 New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date of 5 January 2009 at an issue price of \$0.02 per New Share, together with approximately 18,096,607 free attaching New Options, each exercisable at \$0.10 on or before 30 June 2011, on the basis of 1 New Option for every 2 New Shares issued, to raise approximately \$723,864.

### **LEAD MANAGER AND UNDERWRITER – PATERSONS SECURITIES LIMITED**

**The Rights Issue closes at 5.00pm WDT on 23 January 2009.**

#### **IMPORTANT NOTICE**

This Prospectus is dated 22 December 2008. This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

**Investment in securities offered by this Prospectus should be considered speculative.**

## **CORPORATE DIRECTORY**

<b>DIRECTORS</b>	Jeffrey Gresham (Chairman) Ian Mulholland (Managing Director) Michael Blakiston (Non-Executive Director)
<b>SECRETARY</b>	Brett Dickson
<b>PRINCIPAL AND REGISTERED OFFICE</b>	Ground Floor 63 Hay Street SUBIACO WA 6008  Telephone: (08) 6380 2966 Facsimile: (08) 6380 2988  Email: <a href="mailto:admin@roxresources.com.au">admin@roxresources.com.au</a> Web: <a href="http://www.roxresources.com.au">www.roxresources.com.au</a>
<b>LEAD MANAGER AND UNDERWRITER</b>	Patersons Securities Limited Level 23, Exchange Plaza 2 The Esplanade PERTH WA 6000 Telephone: (08) 9263 1111 Facsimile: (08) 9325 5123 Email: <a href="mailto:corporate.finance@psl.com.au">corporate.finance@psl.com.au</a> Website: <a href="http://www.psl.com.au">www.psl.com.au</a>
<b>SOLICITORS TO THE RIGHTS ISSUE</b>	Blakiston & Crabb 1202 Hay Street WEST PERTH WA 6005
<b>AUDITORS*</b>	Ernst & Young Ernst & Young Building 11 Mounts Bay Road PERTH WA 6000
<b>SHARE REGISTRY</b>	Computershare Investor Services Pty Limited Level 2 45 St Georges Tce PERTH WA 6000  Telephone: 1300 557 010 Facsimile: (08) 9323 2033 Email: <a href="mailto:perth.services@computershare.com.au">perth.services@computershare.com.au</a>

\*These parties are included for information purposes only.

## LETTER FROM THE CHAIRMAN

Dear Shareholder

The 2008 year, and in particular the second half of the year, has been a difficult time for world equity markets and the Australian resources sector. Your Company has not been spared from the impact of these difficulties. However I believe that the significant progress Rox made in acquiring and progressing the Reward zinc-lead project in the Northern Territory, together with our continued involvement in the prospective Pha Luang project in Laos, places your Company in a sound position for the future.

Located close to the world class sediment-hosted McArthur River (HYC) zinc-lead deposit in the Northern Territory, the Reward tenement covers an extensive area of highly prospective geology similar to that of the McArthur River deposit. The project area contains a number of prospects with known zinc-lead mineralisation including the Myrtle deposit. Based on drilling carried out by the Company this year, an Inferred Mineral Resource of approximately **38 million tonnes grading 4.2% Zn, 1.0% Pb (5.2% combined Zn+Pb)** has been estimated at Myrtle.

The Myrtle mineral resource contains approximately **2 million tonnes of contained zinc and lead**, ranking it in the top ten of deposits of its type in Australia, and in the top one-third of these types of deposits in the world. It contains a higher grade core of **15 million tonnes grading 5.5% Zn, 1.5% Pb (7.0% combined Zn+Pb)**. We believe this significant deposit will increase further in size and value with additional drilling.

Interpretation of drilling results, and anomalous surface soil geochemistry, indicated the opportunity for near-surface mineralisation. This possibility was confirmed by subsequent shallow reverse circulation drilling which intersected significant intervals of 3-4.2% combined zinc and lead at shallow depths. Additional surface soil sampling has identified further extensive zones of anomalism that indicate potential for further near-surface mineralisation. The Myrtle deposit and other prospects within the Reward project area warrant extensive further follow up drilling.

To that end, we are pleased to have received a number of expressions of interest from international mining companies regarding the Myrtle project.

A Memorandum of Understanding ("**MOU**") has been signed with a Chinese minerals company ("**CMC**"). The MOU, which is non-exclusive and non-binding, is subject to confidentiality and records a proposed transaction, subject to a due diligence period expiring on 28 February 2009, whereby CMC may acquire an 80% interest in the Myrtle project (EL 10316) for a cash payment to the Company of \$12,500,000.

At the completion of the due diligence period, if CMC proceeds with the transaction, Rox and CMC will form a contributing 80/20 joint venture to further explore and develop the Myrtle project. CMC will be the manager of the joint venture, and Rox may assist by way of its operational expertise in Australia.

The Company has been exploring the Pha Luang zinc-lead project in Laos since 2005. This exploration work is done under the terms of a Joint Venture Agreement with our Lao and Thai partners. Extremely encouraging soil sampling and drilling results have been obtained from exploration carried out to date. At the request of Rox and to ensure the Company's

security over its 60% interest in the project, the Laos Government was requested to approve the transfer of the 60% interest to Rox and grant the Company a Foreign Investment License (“FIL”). Due to a major review of the minerals industry and the preparation of a new Mining Act by the Laos Government there have been delays in granting FIL’s to foreign companies operating in Laos. It is anticipated that this review will be concluded by the end of calendar year 2008. Until our FIL is granted we have taken the decision to reduce expenditure on this project to a minimum.

The MOU and the other expressions of interest underline the unrecognised value of Rox's project assets at Myrtle in the Northern Territory, and Pha Luang in Laos.

The Board of Rox Resources Limited is now pleased to offer all shareholders the opportunity to participate in a Rights Entitlement Issue. Funds raised from the issue will be used as working capital and cash associated with ongoing exploration on the Myrtle and Pha Luang projects.

The Board recommends that all Shareholders take up their entitlements and advises that the Directors intend to take up their respective entitlements in full.

I thank you for your support over these difficult times.

Jeffrey Gresham  
Chairman

***Competent Persons Statement***

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.

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### Important Notes and Statements

This Prospectus is dated 22 December 2008. A copy of this Prospectus was lodged with the ASIC on that date. Neither the ASIC nor the ASX takes any responsibility for the contents of this Prospectus. No New Shares or New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares and New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. The Company will apply for the New Shares and New Options offered pursuant to this Prospectus to be quoted on ASX. An application for New Shares and New Options will only be accepted on the Entitlement and Application Form accompanying this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## Summary of Important Dates \*

Announcement of Rights Issue	19 December 2008
Prospectus Lodged at ASIC and ASX	22 December 2008
Notice sent to shareholders containing information required by Appendix 3B	24 December 2008
"Ex" Date (date Shares are quoted ex-rights)	29 December 2008
Rights trading commences	29 December 2008
Record Date to determine Entitlements pursuant to Rights Issue	5 January 2009
Prospectus with Entitlement and Acceptance Form despatched	9 January 2009
Rights trading ends	16 January 2009
New Shares and New Options quoted on a deferred settlement basis	19 January 2009
Closing Date for acceptances and receipt of applications under the Rights Issue	23 January 2009
Closing Date for acceptance and receipt of applications for the Shortfall by Underwriter or Sub-Underwriters	29 January 2009
Despatch of holding statements	3 February 2009

*\*These dates are indicative only. The Directors reserve the right to vary the key dates, without prior notice and subject to compliance with the Listing Rules.*

## Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

## **Section 1     DETAILS OF THE RIGHTS ISSUE**

### **1.1     Rights Issue**

This Prospectus invites Eligible Shareholders to participate in a pro-rata renounceable Rights Issue of approximately 36,193,214 New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date, at an issue price of \$0.02 per New Share, together with approximately 18,096,607 free attaching New Options, each exercisable at \$0.10 on or before 30 June 2011, on the basis of 1 New Option for every 2 New Shares issued. Fractional entitlements will be rounded up to the nearest whole number.

The Rights Issue will raise approximately \$723,864 (less expenses of the Rights Issue estimated to be \$84,653).

As at the date of this Prospectus, 72,386,428 Shares are on issue.

Existing holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue.

The Company currently has on issue 11,850,000 Options with varying exercise prices and exercise dates (as set out in Section 2.2). Accordingly, in the event that these Options are exercised prior to the Record Date, this Prospectus will also offer to those shareholders a further 5,925,000 New Shares and 2,962,500 free attaching New Options to raise a further \$118,500.

### **1.2     Offer of New Options to Sub-Underwriters**

This Prospectus is also for the offer of up to a maximum of 12,064,405 New Options to sub-underwriters of the Rights Issue, on the basis of one free New Option for every 3 New Shares committed to be sub-underwritten. The grant of these New Options to the Underwriter's sub-underwriting panel is independent of the outcome of the Rights Issue and the amount of Shortfall. Further details regarding this additional offer of New Options are contained in Section 4.11.

### **1.3     Underwriting**

The Rights Issue is underwritten by Patersons Securities Limited. Pursuant to the Underwriting Agreement, the Company will pay Patersons Securities Limited a corporate advisory fee of \$30,000 (plus GST) and an underwriting fee equal to 5% of the underwritten amount of \$723,864.28 (being approximately \$36,193.21) (plus GST). A summary of the material terms of the Underwriting Agreement including rights of termination is set out in Section 4.6.

### **1.4     Rights Trading**

Entitlements to New Shares and free attaching New Options pursuant to the Rights Issue are renounceable. This enables shareholders who do not wish to subscribe for some or all of the New Shares and free attaching New Options under this Rights Issue

to sell their respective Rights and also enables shareholders to purchase additional Rights if they wish.

Rights trading commences on ASX on 29 December 2008 and will cease trading on 16 January 2009.

### 1.5 **Opening and Closing Dates**

The Rights Issue will open for receipt of acceptances at 9.00am WDT on 9 January 2009 and will close at 5.00pm WDT on 23 January 2009 (except where payment is via BPAY® in which case payment must be made by no later than 4.00pm WDT on 23 January 2009 or such earlier cut off time that your own financial institution may implement with regard to electronic payments), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

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### 1.6 **Brokerage and Commission**

No brokerage or stamp duty will be payable by shareholders.

### 1.7 **Entitlements and Acceptance**

The number of New Shares and free attaching New Options to which you are entitled ("Entitlement" or "Rights") is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

#### ***Acceptance of Entitlement in Full***

If you wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions on that form. Applications must not exceed your Entitlement as shown on the Entitlement and Acceptance Form. Applications exceeding your Entitlement will be deemed to be for your maximum Entitlement and any surplus subscription funds will be returned, without interest.

#### ***Partial Acceptance of Entitlement***

If you wish to take up **part** of your Entitlement and sell the balance on the ASX, please follow the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "**Sale of your Entitlement in part by your Stockbroker/Agent and acceptance of the balance**" and then liaise accordingly with your stockbroker.

Rights trading commences on 29 December 2008. You must deal with that part of your Entitlement which you do not intend to accept by close of trading on the ASX on 16 January 2009, when Rights trading ceases.

### *Acceptance of Terms*

All applications for New Shares and free attaching New Options must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares and free attaching New Options on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares and free attaching New Options.

Please ensure the completed Entitlement and Acceptance Form and your cheque are received by the Company's Share Registry at:

**By Post:**

Computershare Investor Services Pty  
Limited  
Locked Bag 2508  
PERTH WA 6001

**not later than 5.00pm WDT on 23 January 2009** or such later date as the Directors advise. Cheques should be made payable to "**Rox Resources Limited – Share Account**" and crossed "Not Negotiable". Please note that payment via BPAY must be made by no later than 4.00pm WDT on 23 January 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### *Sale of all your Entitlement on ASX*

If you wish to sell all of your Entitlement on the ASX, please follow the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "**Sale of your Entitlement in full by your Stockbroker/Agent**".

Rights trading commences on 29 December 2008. You must deal with that part of your Entitlement which you do not intend to accept by close of trading on the ASX on 16 January 2009, when Rights trading ceases.

### *Transfer of Entitlement Other Than on Market Using ASX*

If you wish to transfer all or part of your Entitlement to another person or party other than on market using the ASX, then you must forward the following:

- a completed standard renunciation form (obtainable from your stockbroker or the Company's share registry);
- Entitlement and Acceptance Form completed by the transferee; and
- Transferee's cheque for the amount due in respect of the New Shares to the Company's Share Registry at:

**By Post:**

Computershare Investor Services Pty  
Limited  
Locked Bag 2508  
PERTH WA 6001

**not later than 5.00pm WDT on 23 January 2009** or such later date as the Directors advise. Cheques should be made payable to "**Rox Resources Limited – Share Account**" and crossed "Not Negotiable".

***Taxation Implications***

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Rights Issue.

***Enquiries***

If you have any queries regarding your Entitlement, please contact Computershare Investor Services Pty Limited by telephone on 1300 557 010, or Brett Dickson on (08) 6380 2966, or your stockbroker or professional adviser.

***Please note if you do not accept or sell your Entitlement in accordance with the instructions set out above, any Entitlement not accepted or sold will form part of the Shortfall.***

**1.8 Shortfall Securities**

If you decide not to accept all or part of your Entitlement pursuant to the Rights Issue, you are not required to take any action. The New Shares and free attaching New Options not accepted will form part of the Shortfall and will be dealt in accordance with this Section 1.8. In these circumstances, you will receive no benefit. Accordingly, it is important that you take action to either accept or renounce your Entitlement in accordance with the above instructions.

An application to participate in any Shortfall may be made by an Eligible Shareholder, a person invited to participate by the Directors and/or the Underwriter and who is entitled to participate under the laws of all relevant jurisdictions which apply to them, or any member of the public in Australia or New Zealand. If you wish to participate in any Shortfall that may arise under the Rights Issue, you should complete the Shortfall Application Form attached to this Prospectus.

Please ensure the completed Shortfall Application Form and your cheque is received by the Company's Share Registry at:

**By Delivery:**

Computershare Investor Services Pty  
Limited  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

**By Post:**

Computershare Investor Services Pty  
Limited  
GPO Box D182  
PERTH WA 6840

**not later than 5.00pm WDT on 29 January 2009** or such later date as the Underwriter in consultation with the Company advises. Cheques should be made

payable to "**Rox Resources Limited – Share Account**" and crossed "Not Negotiable".

To the extent that Eligible Shareholders do not take up their Entitlement in full, the resultant Shortfall will be allocated at the discretion of the Underwriter in consultation with the Company and in accordance with the provisions of the Underwriting Agreement. In the event that applications for the Shortfall cannot be filled in full or in part, application monies (without interest) will be refunded by the Company in accordance with the provisions of the Corporations Act. Neither the Company nor the Underwriter guarantees that you will receive any Shortfall Securities.

#### **1.9 Sub-Underwriting by a Director**

Director Mr Ian Mulholland is proposing to sub-underwrite part of the Rights Issue. Details of the sub-underwriting arrangements are contained in Section 4.7.

#### **1.10 Withdrawal of Rights Issue**

The Company, in consultation with the Underwriter, reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares (and free attaching New Options) to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all application monies as soon as practicable after giving notice of its withdrawal, without interest.

#### **1.11 Issue and Allotment of New Shares and free attaching New Options**

The New Shares and free attaching New Options are expected to be issued and allotted by no later than 3 February 2009. Until issue and allotment of the New Shares and free attaching New Options under this Prospectus, application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and the free attaching New Options takes place.

#### **1.12 ASX Listing**

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Shares and New Options offered pursuant to this Prospectus.

If approval for official quotation of the New Shares and the New Options is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Shares or New Options and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Shares and the New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares and New Options now offered for subscription.

### 1.13 **No Issue of New Shares or New Options after 13 Months**

No New Shares or New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### 1.14 **Overseas Investors**

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Eligible Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Eligible Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the securities to be offered to Eligible Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to Eligible Shareholders registered outside of Australia and New Zealand ("**Excluded Shareholders**").

The Company has appointed the Underwriter, on normal commercial terms, as nominee for the Excluded Shareholders to arrange the sale of the Rights which would have been offered to the Excluded Shareholders. The Company will transfer the Rights of the Excluded Shareholders to the nominee who will account to Rox's share registry who will then dispatch the funds (if any) to each individual Excluded Shareholder. The nominee will have the absolute and sole discretion to determine the timing and the price at which the Rights may be sold and the manner of any such sale. Neither the Company nor the nominee will be subject to any liability for failure to sell the Rights or to sell them at a particular price.

If, in the reasonable opinion of the nominee, there is not a viable market for the Rights or a surplus over the expenses of sale cannot be obtained for the Rights that would have been offered to the Excluded Shareholders, then the Rights will be allowed to lapse and they will form part of the Shortfall.

### 1.15 **Market Prices of Shares on ASX**

The highest and lowest closing market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.047 on 24-26 September 2008 (inclusive) and \$0.018 on 12 and 15 December 2008. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.021 on 19 December 2008.

The Company does not have quoted Options on issue.

#### 1.16 Purpose of the Rights Issue and Use of Funds

After payment of the costs of the Offer, the funds raised will be applied towards the following:

- (a) expenses of the Rights Issue;
- (b) exploration of the Reward and Pha Luang Projects; and
- (c) administration and working capital of the Company.

The application of the \$723,864 raised under the Rights Issue is summarised as follows:

<b>Use of Funds</b>	<b>Amount (\$)</b>
Expenses of the Rights Issue	84,653
Reward and Pha Luang Projects	100,000
Administration costs/working capital	539,211
<b>Total</b>	<b>723,864</b>

## Section 2 EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

### 2.1 Principal Effects

Assuming the Rights Issue is fully subscribed the principal effects are as follows:

- (a) the Company will issue 36,193,214 New Shares (excluding any Shares that may be the result of any Options that are exercised prior to the Record Date), and the total number of Shares on issue will increase to 108,579,642. The New Shares will constitute approximately 33.33% of the expanded issued Share capital of 108,579,642 Shares. When aggregated with the number of Options previously issued by the Company, the total percentage of Shares in the Company the subject of this Rights Issue will constitute approximately 30.05% of the expanded issued capital of the Company on a fully diluted basis.
- (b) the Company will issue 30,161,012 New Options (excluding New Options with respect to any Shares that may be the result of any Options that are exercised prior to the Record Date), and the total number of Options on issue will increase to 42,011,012.
- (c) the Rights Issue will also increase the Company's cash reserves by approximately \$723,864 (before expenses of the Rights Issue) to enable the Company to pursue its objectives; and
- (d) the equity of Excluded Shareholders who do not participate in the Rights Issue will be diluted as is evidenced from the information disclosed above.

### 2.2 Capital Structure on Completion of the Rights Issue

The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below:

<b>Shares</b>	<b>Number</b>
Existing Shares	72,386,428
Maximum number of New Shares to be issued pursuant to this Prospectus (assuming no existing Options are exercised)	36,193,214
<b>Total Shares on issue after this Rights Issue</b>	<b>108,579,642</b>

<b>Options</b>	<b>Number</b>
Maximum number of New Options to be issued pursuant to this Prospectus (assuming no Options exercised)	18,096,607
Maximum number of New Options to be issued to sub-underwriters pursuant to this Prospectus	12,064,405

The Company also has the following unquoted Options on issue:

<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
5,250,000	\$0.20	31 January 2009
2,500,000	\$0.675	12 July 2009
1,000,000	\$0.35	30 November 2009
700,000	\$0.35	30 November 2009
400,000	\$0.35	31 May 2010
2,000,000	\$0.35	30 November 2010

### 2.3 **Pro-forma Balance Sheet**

Set out as follows is an unaudited pro-forma balance sheet of the Company after the completion of the Rights Issue prepared on the basis of the unaudited accounts of the Company as at 30 November 2008, and adjusted for the following transactions and assumptions:

- (1) the proceeds of the Offer of \$723,864;
- (2) the estimated expenses of the Offer of \$84,653;
- (3) the accounting value of New Options to sub-underwriters of \$43,432;
- (4) no existing Options are exercised prior to the Record Date; and
- (5) no account is taken of any transactions between 30 November 2008 and the date of this Prospectus. The Pro Forma reflects only the transactions the subject of this Prospectus.

## Pro-forma Consolidated Balance Sheet

	Consolidated 30 November 2008 \$	Pro Forma 30 November 2008 \$
<b>Current Assets</b>		
Cash and cash equivalents	231,183	870,394
Trade and other receivables	47	47
Prepayments	31,677	31,677
	262,907	902,118
Assets of disposal group classified as held for sale	182,250	182,250
<b>Total Current Assets</b>	<b>445,157</b>	<b>1,084,368</b>
<b>Non-Current Assets</b>		
Other financial assets	143,227	143,227
Plant and equipment	88,947	88,947
Available for sale investments	34,500	34,500
	266,674	266,674
<b>Total Non-Current Assets</b>	<b>266,674</b>	<b>266,674</b>
<b>TOTAL ASSETS</b>	<b>711,831</b>	<b>1,351,042</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	52,400	52,400
Provisions	56,145	56,145
Income tax payable	8,086	8,086
Deferred tax liability	28,493	28,493
	145,124	145,124
<b>Total Current Liabilities</b>	<b>145,124</b>	<b>145,124</b>
<b>TOTAL LIABILITIES</b>	<b>145,124</b>	<b>145,124</b>
<b>NET ASSETS</b>	<b>566,707</b>	<b>1,205,918</b>
<b>EQUITY</b>		
Contributed equity	11,510,180	12,149,391
Reserves	829,103	872,535
Accumulated losses	(11,772,576)	(11,816,008)
<b>TOTAL EQUITY</b>	<b>566,707</b>	<b>1,205,918</b>

## **Section 3 RISK FACTORS**

### **3.1 Introduction**

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Shareholders should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Shares and New Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

### **3.2 Exploration Success**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

### **3.3 Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **3.4 Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

### **3.5 Market Conditions**

The market price of the New Shares and New Options can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **3.6 Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grade in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### **3.7 Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### **3.8 Title Risks and Native Title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

### **3.9 Additional Requirements for Capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### **3.10 Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### **3.11 Foreign Investment Risk**

The Company has operations and assets located in foreign jurisdictions. As a result the Company is subject to political, economic and other uncertainties, including but not limited to changes in mining and exploration policies or the personal administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted.

Since early in 2007, the Lao People's Democratic Republic ("PDR") has had a moratorium on issuing new exploration licences while it conducts a review of the mining sector. As a result, the moratorium has caused a delay in the grant of the Company's Foreign Investment Licence and the grant of two new exploration concessions for which the Company has applied. The review of the mining sector is ongoing and the outcome of that review and its effect (if any) on the grant of the Company's Foreign Investment Licence and two exploration concessions, cannot be predicted.

In addition, the Company's operations in the Lao PDR may be affected by changing political conditions and changes to laws and mining policies. The effects of these

factors cannot be accurately predicted and developments may impede the operation or development of a project and even render it uneconomic.

### 3.12 **Joint Venture Parties, Contractors and Agents**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

The Company's Pha Luang project joint venture agreement with its Lao joint venture partner had a number of preconditions and a termination date of 31 December 2006 if those preconditions were not met. The preconditions were not met by 31 December 2006. The termination date can be extended by mutual agreement in writing. Both parties to the joint venture agreement have continued to act as joint venture partners although no extension to the termination date has been formally agreed in writing. For completeness and certainty however, the Company has recently sought from its Lao joint venture partner confirmation in writing of the extension to the termination date. While the Company expects receipt of such confirmation in due course, that confirmation is yet to be received, and there is no guarantee that such confirmation will be forthcoming, in which case the Company's participation in the joint venture may be in dispute.

A Memorandum of Understanding ("MOU") has been signed with a Chinese minerals company ("CMC"). The MOU is subject to confidentiality and records a proposed transaction, subject to a due diligence period expiring on 28 February 2009, whereby CMC may acquire an 80% interest in the Myrtle project (EL 10316) for a cash payment to the Company of \$12,500,000. The MOU is non-binding, non-exclusive and subject to formal documentation being entered into by 28 February 2009. There is no guarantee that the due diligence process undertaken by CMC will be successful resulting in the Company and CMC entering into such formal documentation.

### 3.13 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and New Options offered under this Prospectus.

Therefore, the New Shares and New Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares and New Options.

**Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to take up their Entitlement.**

## **Section 4     ADDITIONAL INFORMATION**

### **4.1     Legal Framework of this Prospectus**

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

### **4.2     Applicability of Corporations Act**

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("**ED**") securities or options to acquire securities which are quoted as ED securities and the securities are in a class of securities or underlie a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares and New Options to be issued under this Prospectus are in respect of a class of Shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

### **4.3     Information Available to Shareholders**

The Company will provide a copy of each of the following documents, free of charge, to any shareholder who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report of the Company for the year ending 30 June 2008; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement on 29 September 2008 of the Annual Financial Report of the Company for the year ending 30 June 2008 and before the issue of this Prospectus:

<b>Date</b>	<b>Description of Announcement</b>
19/12/08	Renounceable Rights Issue
17/12/08	Rox Receives Expressions of Interest and Signs MOU on Myrtle
17/12/08	Trading Halt
04/12/08	Transfer of Reward Tenement to Rox Complete
25/11/08	Results of the 5 <sup>th</sup> Annual General Meeting
06/11/08	Retraction of Statement Regarding In-Ground Value
04/11/08	Appendix 3Y Change of Directors Interest Notice
24/10/08	Notice of Annual General Meeting/Proxy Form
22/10/08	Quarterly Report Period Ended 30 September 2008
07/10/08	38 Million Tonne Maiden Resource for Myrtle

#### 4.4 **Rights Attaching to New Shares**

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights which attach to the Company's existing Shares:

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to the Listing Rules and any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but shall have a fraction of a vote for each partly paid share, which the fraction to be equivalent to the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividends the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment by the Company to the Shareholder of such a dividend. The Directors may authorise the payment by the Company to the Shareholders of such interim dividends as they may determine. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend.

(d) Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting on a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

#### 4.5 **Rights Attaching to New Options**

The terms and conditions of the New Options are as follows:

- (a) The New Options shall expire at 5.00pm on 30 June 2011 (“**Expiry Date**”).

- (b) Subject to condition (j), each New 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**”). New Options may be exercised after the date of issue and prior to the Expiry Date.
- (c) Subject to condition (j), the Shares allotted to option holders on exercise of New Options shall be issued at a price of 10 cents each (“**Exercise Price**”).
- (d) Subject to condition (j), the Exercise Price of Shares the subject of the New Options shall be payable in full on exercise of the New Options.
- (e) New 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:
  - (i) exercise all or a specified number of New Options; and
  - (ii) pay the subscription monies in full for the exercise of each New 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 New Options shall not affect the rights of the option holder to the balance of the New Options held by him.

- (f) The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the New Option.
- (g) The New Options shall be freely transferable.
- (h) Shares allotted pursuant to an exercise of New Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares in all respects.
- (i) The Company shall within five business days of any exercise of the New Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the New Options.
- (j) In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the New 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 New Option

O = the old exercise price of the New Option

E = the number of underlying securities into which one New 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 right to one new security.
- (k) In the case of a bonus issue the number of Shares over which the New Option is exercisable shall be increased by the number of Shares which the option holder would have received if the New 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.
- (l) 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 New Options or the exercise price of the New Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
- (m) The New Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant New Options.
- (n) There are no participating rights or entitlements inherent in the New Options and holders of the New Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the New Option.

#### 4.6 **Material Contracts**

##### *Underwriting Agreement*

Pursuant to an Underwriting Agreement dated 22 December 2008 between the Company and Patersons Securities Limited ("**Underwriter**"), the Underwriter has agreed to underwrite all of the Rights Issue pursuant to this Prospectus.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter, for its role as Lead Manager and Underwriter, an underwriting fee equal to 5% of the underwritten amount of \$723,864.28 (being approximately \$36,193.21) (plus GST) and a corporate advisory fee of \$30,000. In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Rights Issue, including legal fees and disbursements and the reasonable costs of travel and accommodation, marketing and communication costs.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and its obligation thereunder at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the termination events ("**Termination Event**") including:

- (a) (Indices fall): the All Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) (Share Price): the Shares finish trading on the ASX under the ASX ticker of "RXL" on any two consecutive trading days with a closing price that is less than the issue price of the New Shares; or
- (c) (Prospectus): the Company does not lodge the Prospectus on the Lodgment Date set out in the Underwriting Agreement or the Offer is withdrawn by the Company; or
- (d) (Copies of Prospectus): the Company fails to meet its obligations to provide copies of the Prospectus to the Underwriter and such failure is not remedied within 2 days;
- (e) (No Official Quotation): Official Quotation has not been granted for all the Rights Shares and Options by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (f) (Supplementary prospectus):
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 4.6(r)(vi), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (g) (Non compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or
- (h) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or is misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or

- (i) (Restriction on allotment): the Company is prevented from allotting the Rights Shares and Sub Underwriter Commitment Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority; or
- (j) (Withdrawal of consent to Prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (k) (ASIC application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (l) (ASIC hearing): ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act; or
- (m) (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (n) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (o) (Authorisation): any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (p) (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (q) (Sub-underwriters): any of the Company Sub-Underwriters that are introduced by the Company do not comply with their obligations under the sub-underwriting agreements or threaten to not comply with all of their respective obligations under the sub-underwriting agreements with the Underwriter; or
- (r) (Termination Events): subject always to clause 13.2 of the Underwriting Agreement, any of the following events occurs:

- (i) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking; or
- (ii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect; or
- (iii) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX; or
- (iv) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of a Relevant Company; or
- (v) (Error in Due Diligence Results): it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them; or
- (vi) (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
- (vii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus; or
- (viii) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of a Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive; or
- (ix) (Official Quotation qualified): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation"; or
- (x) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy; or
- (xi) (Prescribed Occurrence): a Prescribed Occurrence occurs; or

- (xii) (Suspension of debt payments): the Company suspends payment of its debts generally; or
- (xiii) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company; or
- (xiv) (Judgment against a Relevant Company): a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days; or
- (xv) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus; or
- (xvi) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter; or
- (xvii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company; or
- (xviii) (Timetable): there is a delay in any specified date in the Timetable which is greater than 3 Business Days; or
- (xix) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
- (xx) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter; or
- (xxi) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus; or
- (xxii) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (xxiii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (xxiv) (Material Breach): the Underwriter fails to rectify any material breach of the Mandate having been given 10 business days notice in writing by the Company of such breach.

Clause 13.2 of the Underwriting Agreement provides that the Underwriter may not exercise its rights under paragraph (r) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have:

- (a) a Material Adverse Effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The following terms used in this clause 4.6 respect to the Underwriting Agreement are defined in the Underwriting Agreement as follows:

**"Due Diligence Program"** means the legal, accounting, commercial and other investigations of the assets and liabilities, financial position and performance, profits and losses and prospects of a Relevant Company (including its future business plans and financial forecasts) conducted in the period up until the date on which allotment of the last of the Rights Shares and Options (including the Sub Underwriter Commitment Options) occurs in accordance with the Prospectus, as implemented by the planning memorandum adopted pursuant to a resolution of the Board;

**"Due Diligence Results"** means the results of the investigations which make up the Due Diligence Program, as maintained by the Company including but not limited to all due diligence reports and reports of the due diligence committee (established in connection with the Rights Issue), including all supporting documents and working papers to which the Due Diligence Program relates;

**"Event of Insolvency"** means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's

creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;

- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable legislation to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person;

**"Force Majeure"** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties to the Underwriting Agreement;

**"Insolvency Provision"** means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or of preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person;

**"Mandate"** means the letter of agreement signed on 10 December 2008 between the Underwriter and the Company;

**"Material Adverse Effect"** means:

- (a) a material adverse effect on the outcome of the Rights Issue or on the subsequent market for the Rights Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Rights Shares); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
  - (i) the Company and its subsidiaries either individually or taken as a whole; or
  - (ii) an Australian resident shareholder in the Company;

**"Official Quotation"** means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules) of all the Rights Shares and Options when allotted which if conditional may only be conditional on (i) the allotment of the Rights Shares and (ii) securing the requisite number of Option holders to satisfy ASX spread requirements for quotation of the Options;

**"Options"** means collectively a new class of options to be granted by the Company for no consideration on a 1 for 2 basis for Rights Shares issued, being 18,096,607 Options, and 12,064,405 Sub Underwriter Commitment Options. The Options are exercisable at 10 cents per Share with an expiry date of 30 June 2011;

**"Prescribed Occurrence"** means:

- (a) the Company (or any subsidiary) converting all or any of its shares into a larger or smaller number of shares;
- (b) the Company (or any subsidiary) resolving to reduce its share capital in any way;
- (c) the Company (or any subsidiary):
  - (iii) entering into a buy-back agreement or;
  - (iv) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;
- (d) the Company (or any subsidiary) making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Rights Issue or the terms of the Underwriting Agreement;
- (e) the Company (or any subsidiary) issuing, or agreeing to issue, convertible notes;
- (f) the Company (or any subsidiary) disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company (or any subsidiary) charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) the Company (or any subsidiary) resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to the Company (or any subsidiary);
- (j) the making of an order by a court for the winding up of the Company (or any subsidiary);
- (k) an administrator of the Company (or any subsidiary), being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company (or any subsidiary) executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company (or any subsidiary);

**"Relevant Company"** means the Company and any subsidiary;

**"Rights Shares"** means 36,193,214 Shares the subject of the Rights Issue;

**"Sub Underwriter Commitment Options"** means 12,064,405 Options to be granted by the Company at the Underwriter's discretion to those parties sub-underwriting the Rights Issue;

**"Timetable"** means the timetable for the Rights Issue set out in the Underwriting Agreement as varied from time to time by written agreement of the Company and the Underwriter; and

**"Verification Material"** means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Prospectus.

#### 4.7 Interests of Directors

- (a) At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares		Options	
	Direct	Indirect	Direct	Indirect
Jeffrey Gresham	241,111	-	1,000,000 <sup>1</sup>	-
Ian Mulholland	2,272,222	-	3,000,000 <sup>2</sup> 2,000,000 <sup>3</sup>	-
Michael Blakiston	-	1,308,968 <sup>4</sup>	1,000,000 <sup>2</sup>	-

**Notes:**

1. These unquoted Options are exercisable at \$0.35 each on or before 30 November 2009.
2. These unquoted Options are exercisable at \$0.20 each on or before 31 January 2009.
3. These unquoted Options are exercisable at \$0.35 on or before 30 November 2010.
4. These Shares are held in the name of Residuum Nominees Pty Ltd. Michael Blakiston is a director and holder of 50% of the issued capital of Residuum Nominees Pty Ltd. Residuum Nominees Pty Ltd acts as a trustee of a trust in which Mr Blakiston is a beneficiary.

Each Directors' current intention is to take up in full their respective Entitlements under the Offer.

- (b) Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:
- the formation or promotion of the Company; or

- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

<b>Financial Year up to 30 June 2007</b>			
<b>Director</b>	<b>Directors' Fees/ Salary/Superannuation (\$)</b>	<b>Equity (\$)</b>	<b>Total (\$)</b>
Jeffrey Gresham	40,875	174,700	215,575
Ian Mulholland	206,661	0	206,661
Michael Blakiston	36,113	0	36,113

<b>Financial year up to 30 June 2008</b>			
<b>Director</b>	<b>Directors' Fees/ Salary/Superannuation (\$)</b>	<b>Equity (\$)</b>	<b>Total (\$)</b>
Jeffrey Gresham	54,500	0	54,500
Ian Mulholland	262,496	23,658	286,154
Michael Blakiston	38,150	0	38,150

<b>Period From 1 July 2008</b>			
<b>Director</b>	<b>Directors' Fees/ Salary/Superannuation (\$)</b>	<b>Equity (\$)</b>	<b>Total (\$)</b>
Jeffrey Gresham	13,625	0	13,625
Ian Mulholland	124,999	0	124,999
Michael Blakiston	9,537	0	9,537

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently \$150,000), to be divided among the non-executive Directors as determined by the Directors and in default of agreement, then in equal shares.

Directors are entitled to be paid reasonable travelling, hotel and expenses incurred by them in the performance of their duties as directors.

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of Messrs Jeffrey Gresham, Ian Mulholland and Michael Blakiston. Those deeds indemnify Mr Gresham, Mr Mulholland and Mr Blakiston in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks they are exposed to as Directors.

Michael Blakiston is a partner in the firm of Blakiston & Crabb. Details of the fees paid or payable by the Company to Blakiston & Crabb for professional services provided are set out in Section 4.8.

### ***Sub-Underwriting***

Mr Ian Mulholland has agreed with Patersons Securities Limited to sub-underwrite \$50,000 of the funds to be raised under the Rights Issue (2,500,000 New Shares and 1,250,000 free attaching New Options) on the same terms and conditions as other sub-underwriters. Accordingly, Mr Ian Mulholland will receive sub-underwriting fees of 1.25% of the amount sub-underwritten, being \$625, and, subject to shareholder approval, be entitled to be granted 833,333 New Options pursuant to the offer to sub-underwriters referred to in Sections 1.2 and 4.11.

## **4.8 Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

- Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately \$10,000 (excluding GST) for these professional services. Blakiston & Crabb have provided other professional services to the Company

during the last two years for which the Company has paid or will pay fees totalling approximately \$21,470 (excluding GST).

- Patersons Securities Limited has acted as Lead Manager and Underwriter for which it will, pursuant to the Underwriting Agreement, receive an underwriting fee equal to 5% of the underwritten amount of \$723,864.28 (being approximately \$36,193.21) (plus GST) and a corporate advisory fee of \$30,000 (plus GST). The Underwriting Agreement is summarised in Section 4.6. With respect to its appointment as nominee for Excluded Shareholders, Patersons Securities Limited will charge a fee of \$150.00 plus GST or 1% of the value of the sales executed, whichever is the greater. During the last two years Patersons Securities Limited acted as lead manager to a Share placement to raise up to \$387,000 and lead manager to a capital raising via share purchase plan to raise up to approximately \$675,000, and was paid total fees and expenses (including GST) of \$43,098. It should be noted that Patersons Securities Limited has a relevant interest in 41,111 Shares and interests associated with directors of Patersons Securities Limited hold 1,000,000 Shares.

#### 4.9 Expenses of the Rights Issue

The approximate expenses of the Rights Issue are as follows:

(a)	Legal fees	\$10,000
(b)	ASIC lodgement fees	\$2,000
(c)	ASX listing fees	\$3,460
(d)	Printing, mailing and sundries	\$3,000
(e)	Underwriting fees	\$36,193
(f)	Corporate advisory fee	\$30,000
Total		\$84,653

These expenses are payable by the Company.

#### 4.10 Consents

Computershare Investor Services Pty Ltd has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Each of the parties referred to in this Section 4.10:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.10; and

- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.10.

Ian Mulholland has given his written consent to the inclusion in this Prospectus of all statements made by him or attributed to or derived from those statements in the form and context in which they are included and has not withdrawn such consent before lodgement of the Prospectus with the ASIC.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Patersons Securities Limited as Lead Manager and Underwriter; and
- (b) Blakiston & Crabb as solicitors to the Rights Issue.

#### 4.11 **Issue of New Options to Sub-Underwriters**

This Prospectus is also for the offer and grant of up to 12,064,405 New Options to sub-underwriters of the Rights Issue, on the basis of one free New Option for every 3 New Shares committed to be sub-underwritten. The grant of these New Options to the Underwriter's sub-underwriting panel is independent of the outcome of the Rights Issue and the amount of any Shortfall.

An application for the 12,064,405 New Options can only be made on the separate looseleaf application form accompanying this Prospectus entitled "Sub-Underwriter Option Application Form".

No consideration is payable with the Sub-Underwriter Option Application Form. The completed form is to be lodged at the Company's registered office:

Ground Floor  
63 Hay Street  
SUBIACO WA 6008

Telephone: + 61 8 6380 2966  
Facsimile: +61 8 6380 2988

## Section 5      **DEFINED TERMS**

"**\$**" means an Australian dollar;

"**ASIC**" means the Australian Securities and Investments Commission;

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

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Closing Date**" means 5.00pm WDT on 23 January 2009;

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

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

"**Directors**" means the directors of the Company;

"**Eligible Shareholder**" is a shareholder of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"**Entitlement**" or "**Right**" means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

"**Entitlement and Acceptance Form**" means the entitlement and acceptance form accompanying this Prospectus;

"**Excluded Shareholder**" means Eligible Shareholders registered outside Australia and New Zealand;

"**GST**" means any tax, import or other duty raised on the supply of goods and services and imposed by the Commonwealth or a State or Territory of Australia;

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

"**New Option**" means an option exercisable at 10 cents on or before 30 June 2011 offered pursuant to this Prospectus on the terms set out in Section 4.5;

"**New Share**" means a Share offered pursuant to the Rights Issue on the terms set out in Section 4.4;

"**Offer**" means an offer of securities pursuant to this Prospectus;

"**Option**" means an option to acquire one Share;

"**Prospectus**" means this prospectus dated 22 December 2008;

"**Record Date**" means 5.00 pm WDT on 5 January 2009;

**"Rights Issue"** means the issue pursuant to the Prospectus of a pro-rata renounceable rights issue of approximately 36,193,214 New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date at an issue price of \$0.02 per New Share, together with approximately 18,096,607 free attaching New Options on the basis of 1 New Option for every 2 New Shares issued, to raise approximately \$723,864.

**"Section"** means a section of this Prospectus;

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

**"Shortfall"** or **"Shortfall Securities"** means the New Shares and free attaching New Options forming Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders;

**"Shortfall Application Form"** means the shortfall application form accompanying this Prospectus;

**"Underwriter"** means Patersons Securities Limited ABN 69 008 896 311;

**"Underwriting Agreement"** means the Underwriting Agreement dated 22 December 2008 between the Underwriter and the Company described in Section 4.6 of the Prospectus; and

**"WDT"** means Western Daylight Time.

## **Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares and New Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 22 December 2008



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Ian Mulholland  
Director

## SHORTFALL APPLICATION FORM

*This form is only to be used by applicants wishing to apply for New Shares and free attaching New Options under the Shortfall and for the use of the Underwriter and sub-underwriters.*

### ROX RESOURCES LIMITED

ABN 53 107 202 602

Instructions for A to J are set out on the next page

### USE BLOCK LETTERS

Write your name – refer to the guide (next page) for correct forms of registrable title(s)

Tax File Number(s) or exemption category

<b>A</b>	TITLE	GIVEN NAMES	SURNAME
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<b>B</b>	TITLE	JOINT APPLICANT No.2 OR ACCOUNT DESIGNATION	
	TITLE	JOINT APPLICANT No.3 OR ACCOUNT DESIGNATION	


<b>D</b>	ADDRESS		
	SUBURB/TOWN	STATE	POSTCODE

<b>E</b>	CONTACT NAME	TELEPHONE (W)	TELEPHONE (H)	EMAIL
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<b>F</b>	SRN/IPN	HIN
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<b>G</b>	I/We Apply for		New Shares and lodge application moneys in full @ \$0.02 per New Share (I/we will be issued with one New Option for every 2 New Shares allotted to me/us)	<b>H</b>	Application Money \$		Date / /
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Cheque Details

<b>I</b>	DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE
	DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE

Cheques should be made payable to: **“Rox Resources Limited – Share Account”**

- J** This Shortfall Application Form does not need to be signed. By lodging this Shortfall Application Form and a cheque for the application money the applicant hereby:
- (1) applies for the number of New Shares (and free attaching New Options) in the Shortfall Application Form or such lesser number as may be allocated by the Directors and/or the Underwriter;
  - (2) agrees to be bound by the terms and conditions set out in the Prospectus and the Constitution of the Company;
  - (3) authorise the Directors and/or the Underwriter to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions; and
  - (4) acknowledges that an application for Shortfall does not guarantee an allotment of New Shares (and free attaching New Options).

## SHORTFALL APPLICATION FORM

*This form is to be used for parties wishing to apply for New Shares and free attaching New Options under the Shortfall and for the use of the Underwriter and sub-underwriters.*

Please complete all relevant sections of the Shortfall Application Form ("the Form") using BLOCK LETTERS. If you have any queries on how to complete this form please telephone Brett Dickson on (08) 6380 2966.

The Shortfall Application Form relates to the one for two renounceable pro rata Rights Issue of 36,193,214 New Shares at an issue price of \$0.02 each, together with one free attaching New Option for every 2 New Shares allotted, exercisable at \$0.10 each on or before 30 June 2011, to raise approximately \$723,864, pursuant to the Prospectus dated 22 December 2008. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares and Options of the Company and it is important to read this document before applying for New Shares and free attaching New Options. A person who gives another person access to this Shortfall Application Form must at the same time and by the same means, give the other person access to the Prospectus, and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and a Shortfall Application Form, on request to applicants without charge.

The Prospectus does not constitute an offer in any place where or to any person to whom it would not be lawful to make such an offer.

Please forward the completed Application Form together with your cheque to:

**By Delivery:**

Computershare Investor Services Pty Limited  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

**By Post:**

Computershare Investor Services Pty Limited  
GPO Box D182  
PERTH WA 6840

so as to reach them on or before the last date instructed by the Company.

- A** Write your FULL NAME in Box A. This must be either your own name or the name of a company. You should refer to the bottom of this page for the correct form which can be registered. Application using the incorrect form of name may be rejected. If your Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decision as to whether to treat your Form as valid, and how to construe, amend or complete it, shall be final. You will not however, be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying cheque for the application moneys referred to in Box H.
- B** If you are applying as JOINT APPLICANTS, complete Boxes A and B. You should refer to the bottom of this page for instructions on the correct form of name. Up to three Joint Applicants may register.
- C** Enter your TAX FILE NUMBER (TFN) or exemption category beside your name. Where applicable, please enter the TFN for each Joint Applicant. Collection of TFN's is authorised by taxation laws. Quotations of your TFN is not compulsory and will not affect your Form.
- D** Enter your POSTAL ADDRESS for all correspondence. All communications to you from Rox's Share Registry (shareholding statements, dividend cheques, annual/interim reports, correspondence etc) will be mailed to the person(s) and address as shown. For Joint Applications only one address can be entered.
- E** Please let us know your TELEPHONE NUMBER(S), email and contact name in case we need to contact you in relation to your Form.
- F** Rox participates in the ASX's CHESS System. If you are participating in this system, you may complete this section. If you are not a participant in the CHESS System do not complete this box. It will not affect your Application.
- G** Insert the NUMBER OF NEW SHARES you wish to apply for in Box G. You will be issued with one New Option for every 2 New Shares allotted to you. Neither the Directors nor the Underwriter guarantee any allocation of New Shares and free attaching New Options from a Shortfall application.
- H** Enter the amount of your application moneys here. The amount must be equal to the number of New Shares applied for (see box G) multiplied by \$0.02 per New Share.
- I** Complete cheque details as required. Cheques must be drawn on an Australian bank in Australian currency and made payable to "**Rox Resources Limited – Share Account**" and crossed "Not Negotiable". Do not send cash. **A separate cheque should accompany each Shortfall Application Form lodged.**
- J** The Shortfall Application Form does not need to be signed.

### CORRECT FORMS OR REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Rox. At least one full given name and the surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith and Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Ltd	John Smith Superannuation Fund