



# NOTICE OF MEETING 2005



# **ROX RESOURCES LIMITED**

ABN 53 107 202 602

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**NOTICE OF 2005 ANNUAL GENERAL MEETING**

**PROXY FORM**

**AND**

**EXPLANATORY MEMORANDUM**

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**Date of Meeting**

24 November 2005

**Time of Meeting**

10.00 am

**Place of Meeting**

Pinnacles Room

Parmelia Hilton

14 Mill Street

Perth, Western Australia 6000

# ROX RESOURCES LIMITED

(ABN 53 107 202 602)

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2005 Annual General Meeting of the shareholders of Rox Resources Limited ("Company") will be held at the Pinnacles Room, Parmelia Hilton, 14 Mill Street, Perth, Western Australia on 24 November 2005 at 10.00am for the purposes of transacting the following business.

### ORDINARY BUSINESS

#### Receipt of Financial Statements and Reports

To receive and consider the financial statements of the Company together with the Directors and Auditors Reports for the period ended 30 June 2005.

**1. Resolution 1 - Non Binding resolution to adopt the Remuneration Report as disclosed in the 2005 Annual Report**

To consider and, if thought fit, pass the following non binding resolution as an ordinary resolution of the Company.

*"That the Remuneration Report as set out on pages 19 and 20 of the Company's Annual Report for the year ended 30 June 2005 be adopted."*

**2. Resolution 2 - Re-Election of Director**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company.

*"That Mr Michael Blakiston, being a Director of the Company who retires in accordance with Rule 13.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected."*

### SPECIAL BUSINESS

**3. Resolution 3 - Approval of Issue of Shares to First Pacific Mining Lao Co. Ltd**

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company.

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Directors' to allot and issue to First Pacific Mining Lao Co. Ltd (or its nominee) 2,000,000 Shares on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

**4. Resolution 4 - Approval to Issue Shares and Pha Luang Options to Campbell Baird**

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company.

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Director's to allot and issue to Mr Campbell Baird (or his nominee) a total of 350,000 Shares and 350,000 Options, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

**5. Resolution 5 - Issue of Shares and Nyala Options to Durey and Brown**

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company.

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves and authorises the Director's to allot and issue to Mr Hugh Durey and Mr Ross Brown (or their nominees) a total of up to 1,000,000 Shares and 4,000,000 Nyala Options, in each case on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. "*

**6. Resolution 6 - Approval to Issue Shares**

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company.

*"That, pursuant to and in accordance with Listing Rule 7.1, the shareholders approve the allotment and issue of a maximum of 15,000,000 Shares in the Company at an issue price of not less than 80% of the weighted average of the closing price of the Company's Shares on the ASX on the five trading days on which sales are recorded immediately proceeding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in Shares were recorded before the date of the prospectus)."*

For further information please refer to the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

By order of the Board



**Brett Dickson**  
**Company Secretary**

Date: 14<sup>th</sup> October 2005

**PROXIES**

Votes at the annual general meeting may be given personally or by proxy, attorney or representative.

A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder’s voting rights.

A proxy may, but need not be, a shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.

A proxy form and the authority (if any) under which it is signed or a certified copy of that authority must be deposited at the Company’s registered office not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 1081, West Perth WA 6872 or by fax to (08) 9486 4933.

**VOTING ENTITLEMENTS**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that shares held as at 5.00pm on 22 November 2005 will be taken, for the purposes of the general meeting, to be held by persons who held them at that time.

**VOTING EXCLUSIONS**

As required by the Listing Rules, the Company will disregard any votes cast on the following resolutions by the persons listed.

<b>Resolution</b>	<b>Persons Excluded from Voting</b>
Resolution 3	First Pacific Mining Lao Co. Ltd and any associate of First Pacific Mining Lao Co. Ltd
Resolution 4	Mr Campbell Baird and any associate of Mr Baird
Resolution 5	Mr Hugh Durey and any associate of Mr Durey and Mr Ross Brown and any associate of Mr Brown
Resolution 6	Any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

However, the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of Rox Resources Limited to be held on Thursday, 24 November 2005 at 10.00am.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

## FINANCIAL STATEMENTS AND REPORTS

Shareholders will be given an opportunity to ask questions in relation to the accounts of the Company at the Annual General Meeting.

## RESOLUTION 1 - NON BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT AS DISCLOSED IN THE 2005 ANNUAL REPORT

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Rox Resources Limited Annual Report 2005. The vote on the resolution is advisory only and does not bind the Directors of the Company. The Remuneration Report is set out on pages 19 and 20 of the Rox Resources Limited Annual Report 2005 and is also available on the Company's website ([www.roxresources.com.au](http://www.roxresources.com.au)).

The report explains the Boards policies in relation to the nature and level of remuneration paid to directors of Rox Resources Limited, sets out the remuneration details for each director and any service agreements and sets out the details of any share based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

## RESOLUTION 2 - RE - ELECTION OF DIRECTOR

Mr Blakiston is a founding director of the Company and offers himself for re-election.

Mr Blakiston is a practicing solicitor with legal experience in the resources sector. He holds the degrees of Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia and is a partner of the corporate and resource law firm, Blakiston & Crabb. Mr Blakiston has been practicing law for over 25 years.

Mr Blakiston has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. In addition, Mr Blakiston has experience in initial public offerings, takeovers and mergers, corporate and project fundraisings (either with debt or equity), construction, offtake and sales contracts.

**RESOLUTION 3 - APPROVAL OF ISSUE OF SHARES TO FIRST PACIFIC MINING LAO CO. LTD**

*Overview*

On 5 April 2005 the Company announced it had reached agreement to acquire a 60% interest in the sulphide portion of the Pha Luang zinc-lead mine ("**Pha Luang Project**") which lies 160 kilometres north of Vientiane, the capital city of the Lao People's Democratic Republic (Laos) (Figure 1).

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

Rox undertook due diligence drilling to test three different types of high-grade surface oxide mineralisation. Drilling of one of the surface oxide types failed to intersect sulphide mineralisation but drilling of the other two returned excellent results and the Company elected to proceed with the Pha Luang Project.



Figure 1

*Pha Luang Mine*

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

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

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

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

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

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

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

### *Drilling Results*

The first hole (PLD001) at Bon Noi was drilled vertically instead of inclined, because of equipment limitations at the time. The hole intersected minor sulphide mineralisation (<1% disseminated pyrite and sphalerite) in limestone and brecciated limestone, and was terminated at 83.6m. As the hole was drilled vertically, it is felt that the hole missed the plunge of the potential massive sulphide zone.

The second hole (PLD002) at Pha Luang 2, drilled beneath hydrozincite mineralisation. Because of site access difficulties the hole was drilled from the footwall side and may have drilled largely down dip. It intersected massive and brecciated limestone with trace to minor (<1%) sulphides, similar to PLD001, and was terminated by bit failure at 73.0m.

The third hole (PLD003) was drilled at Pha Luang 3 testing the hydrozincite surface zone. Drilling was vertical to intersect the zone beneath the steeply dipping secondary zinc mineralisation. A similar result to the two previous holes was obtained, and the hole was terminated at 86m.

The fourth hole (PLD004) of the program at Bon Noi has intersected massive secondary lead-zinc mineralisation over a 17.5 metre down hole interval with weighted average assays of 18.5% zinc (Zn), 5.3% lead (Pb) and 28ppm (g/t) silver (Ag). Specific mineralised intervals were:

From (m)	To (m)	Interval (m)	Zn %	Pb %	Ag ppm
7.4	8.3	0.9	30.2	12.3	84
9.8	17.9	8.1	19.2	9.8	44
19.4	24.9*	5.5	25.6	0.3	10

\* Lost core from 24.9 – 25.6m.

Individual high assays of up to 42.0% Zn, 23.5% Pb and 134ppm Ag were obtained. The intervals from 8.3 - 9.8 metres and 17.9 – 19.4 metres were barren limestone as shown in the photographs below.

The intersection also shows zonation, with a more lead-rich zone from 9.8 to 14.0 metres of 4.2 metres grading 20.9% Zn, 18.7% Pb and 79ppm Ag, and a lead-poor zone from 14.0 to 24.9 metres of 10.9 metres grading 19.2% Zn, 0.2% Pb and 19ppm Ag.

Lost core from 24.9 to 25.6 metres suggests mineralised material may have been washed out of the core barrel close to its contact with massive limestone.

The fifth hole (PLD005) was drilled at the Nam Yen prospect, where lead sulphide (galena) outcrops for over 100 metres along strike and up to 30 metres width. Secondary lead and zinc minerals are also present in this zone. Previous rock chip sampling at Nam Yen returned assays of up to 64.2 % Pb, 18.3 % Zn and 98 ppm Ag. Outcrops of secondary lead-zinc minerals have now been mapped over a strike length exceeding 200 metres at Nam Yen. Two further holes are underway at Nam Yen.

Visual inspection of drill hole PLD005 reports massive secondary lead-zinc mineralisation from surface to 9 metres down hole, followed by lead sulphide (galena) mineralisation as blebs and veinlets over a further 9 metres down hole. Assays are pending.

### ***Infrastructure***

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

### ***About Laos***

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

Laos has promoted economic liberalisation since 1986 with a shift from a planned economy towards a free market system. The result was a shift towards a market-based economy, which guarantees amongst other things, the right for each Lao citizen to own private property and provides protection for both domestic and foreign investment. From 1993 to

1997 the country enjoyed strong annual economic growth of 7% p.a., and after the Asian financial crisis, it has again enjoyed strong economic growth from 2002 to 2004 of about 5.8% p.a. In 1997 Laos was admitted to the Association of South East Asian Nations (ASEAN) and is in the process of joining the World Trade Organisation (WTO).

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

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

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

### *Commercial Terms*

Subject to obtaining all necessary government and ASX approvals, Rox may acquire a 60% interest in the Pha Luang Project as follows:

1. Issue of 2,000,000 Shares to First Pacific at completion of due diligence (note that due diligence is complete).
2. Upon reaching a JORC compliant resource of 4 million tonnes grading >10% combined zinc-lead at a 3% zinc-lead cut-off, issue First Pacific 3,000,000 Shares.
3. Complete a feasibility study, and if positive, issue 9,000,000 Shares to First Pacific.

In light of the uncertainty regarding the timeframes for achievement of the second and third milestones described above, shareholder approval for tranches 2 and 3 (if required) will be sought at a later date.

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

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

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

### *Listing Rule 7.1*

Listing Rule 7.1 requires shareholder approval to the proposed issue of Shares in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of Securities by a listed company, where the Securities proposed to be issued represent more than 15% of the Company's Shares then on issue.

The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares to be issued by the Company is 2,000,000 Shares;
- (b) the Shares will be issued no later than three months after the date of this Annual General Meeting or such later date as approved by ASX;
- (c) the deemed issue price of the Shares to be issued under Resolution 3 is 15 cents each.
- (d) the allottee is First Pacific Mining Lao Co. Ltd;
- (e) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing ordinary fully paid shares on issue; and
- (f) no funds will be raised from the issue, but the issue comprises part consideration for the purchase by the Company of a 60% interest in the sulphide portion of the Pha Luang Project.

#### **RESOLUTION 4 - ISSUE OF SHARES AND PHA LUANG OPTIONS TO CAMPBELL BAIRD**

##### ***Background***

On 11 July 2005 the Company entered into a letter agreement with Mr Campbell Baird which formalised an earlier verbal agreement between the Company and Mr Baird, to pay him a finder's fee in recognition of his introduction to the Company of the Pha Luang Project described above.

The finder's fee is to be payable upon the Company's completion of a due diligence and a decision to proceed with the Pha Luang Project. Both of these pre-conditions have been satisfied.

The finder's fee is payable as follows:

- (a) 350,000 Shares at a deemed issue price of 10.5 cents per Share, being the average share price in the five days prior to the Company's announcement of the acquisition of the 60% interest in the sulphide portion of the Pha Luang Project; and
- (b) 350,000 Pha Luang Options on the terms and conditions set out in Annexure C.

Subject to the passing of Resolution 3 and this Resolution 4, the 350,000 Shares and the 350,000 Pha Luang Options will be issued at the same time as the 2,000,000 Shares are issued to First Pacific pursuant to Resolution 3 above.

##### ***Listing Rule 7.1***

Listing Rule 7.1 requires shareholder approval to the proposed issue of Shares and Pha Luang Options in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of Securities by a listed company, where the Securities proposed to be issued represent more than 15% of the Company's Shares then on issue.

The following information in relation to the Shares and Pha Luang Options is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Securities to be issued by the Company is 350,000 Shares and 350,000 Pha Luang Options;
- (b) the 350,000 Shares and the 350,000 Pha Luang Options will be issued no later than three months after the date of this Annual General Meeting or such later date as approved by ASX;

- (c) the deemed issue price of the 350,000 Shares to be issued under Resolution 3 is 10.5 cents each, being the average share price in the five days prior to the Company's announcement to ASX of the acquisition of the 60% interest in the Pha Luang Project. The Pha Luang Options are issued for nil consideration.
- (d) the allottee is Mr Campbell Baird or his nominee;
- (e) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing ordinary fully paid shares on issue. The Pha Luang Options have the terms as set out in Annexure C of the Explanatory Memorandum; and
- (f) no funds will be raised from the issue, but the issue comprises consideration for the finders fee which the Company has agreed to pay Mr Baird.

## **RESOLUTION 5 - ISSUE OF SHARES AND NYALA OPTIONS TO DUREY AND BROWN**

### *Overview*

On 1 March 2005 the Company announced it had reached agreement to enter diamond exploration in South Africa through an agreement with unlisted private South African company Nyala Resources (Pty) Limited and its owners to acquire four prospective alluvial diamond prospecting licences covering 84 km<sup>2</sup> near Kimberley in South Africa.

Nyala has four projects with a total area of 84 km<sup>2</sup> within 160km of Kimberley (Figure 2), the centre of the diamond industry in South Africa. The target tonnage on the four projects is 35 -70 million tonnes of alluvials.

It has been estimated that at least 3 billion carats of diamonds have been eroded from known kimberlites in South Africa and transported into alluvial hosts. Based on 25% of those liberated diamonds surviving erosion and transportation cycles, less the 90 million carats already mined from alluvials, it has been estimated that 660 million carats still await discovery.

South Africa is host to the most significant alluvial diamond production of any country, with economic quantities of diamonds being found over 1,000 km from their source.

In the Kimberley area of South Africa, it appears that most diamond production has focused almost exclusively on kimberlites, and the potential of alluvial deposits has been largely ignored by the major companies.

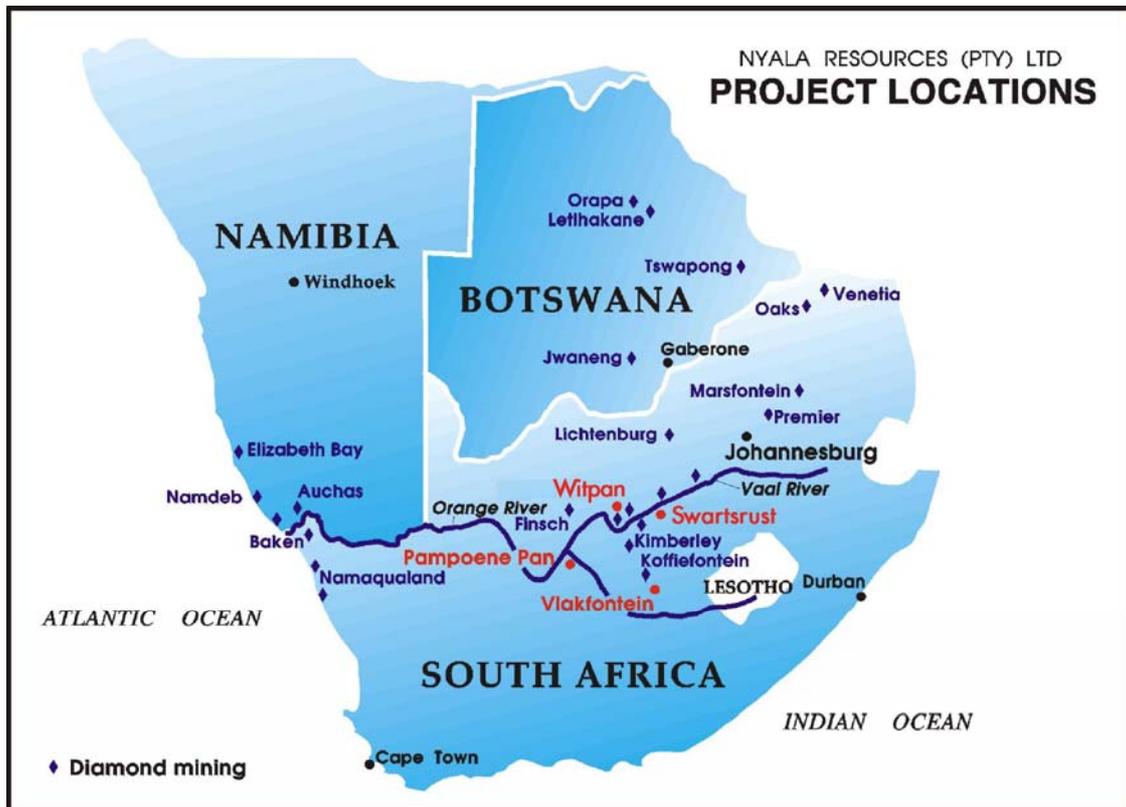


Figure 2

### Projects

The four projects are Pampoene Pan, Vlakkfontein, Swartsrust and Witpan. Key features of all four projects are:

- Potential for high gem content and large stones that attract premium prices.
- Medium to large target deposit size to cater for high throughput.
- Unconsolidated gravels for easy excavation and treatment with minimal calcrete hardpan.
- Low stripping ratio.
- Opportunity for an irregular bedrock profile and favourable trap sites such as splay deposits, channel confluences and changes in river gradient and direction.
- Easy accessibility to water and roads for processing needs.

All four projects are presently covered by prospecting applications, two of which have been presented to the South African Minister for Mines for granting.

#### Pampoene Pan

This project is located along an ancient palaeochannel joining the Saxendrift and Klipfontein alluvial diamond mines (Figure 3). Saxendrift is currently producing at a rate of 18,600 carats per annum realising diamond prices of around US\$1,000 per carat, and Klipfontien is being developed into a 3 million tonne per annum operation.

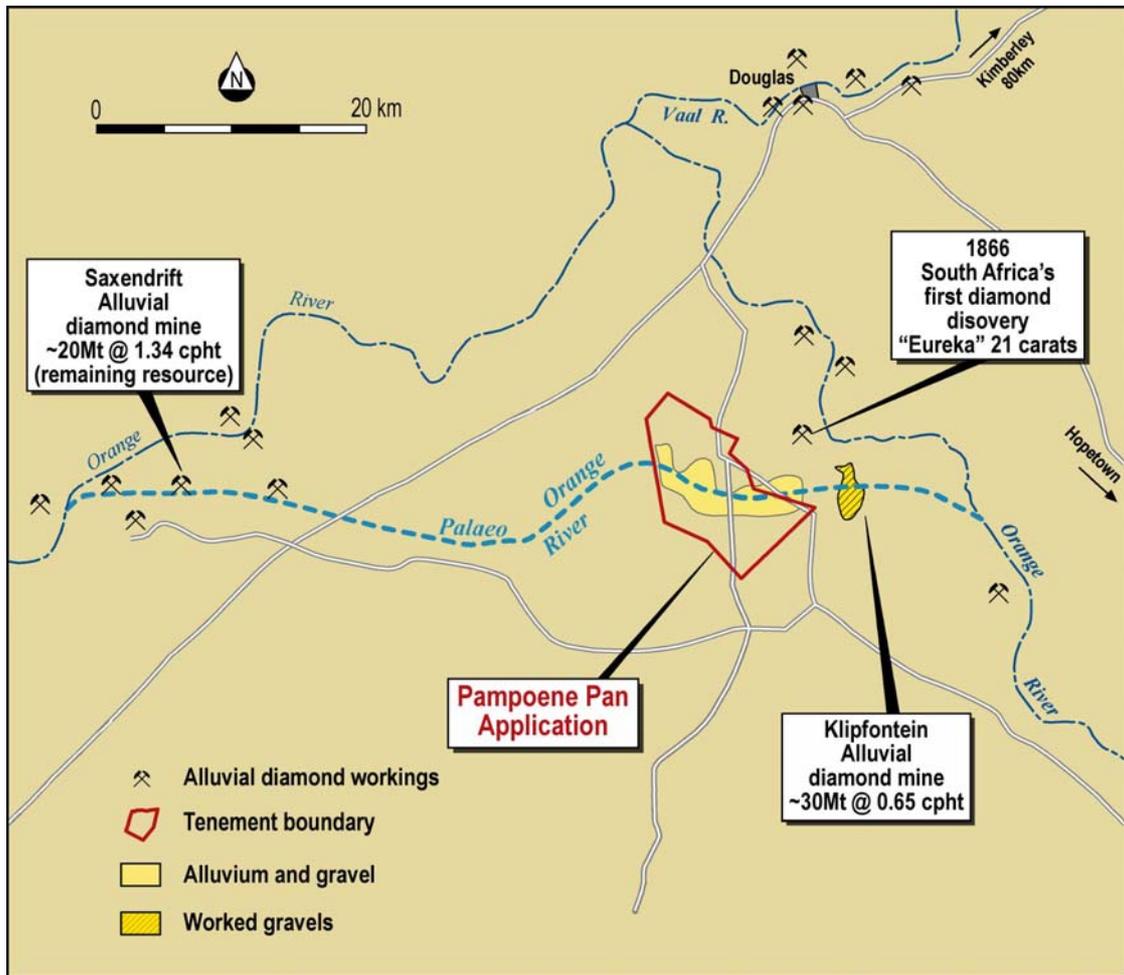


Figure 3

### Vlakfontein

The Vlakfontein prospecting right is positioned to capture the dispersion of alluvial diamonds down slope from the famous Jagersfontein kimberlite pipe (9.5 million carats production), which is famous for producing 8 of the world's top 24 largest diamonds.

Surface topography indicates a funnelling of drainage by dolerite ridges south-east from Jagersfontein towards alluvial flats and a break in slope at Vlakfontein 4km from the open pit mine where diamonds may have been deposited (Figure 4).

The project setting is broadly similar to the Daniel alluvial diamond project adjacent to the Finsch kimberlite diamond mine, where an alluvial system developed from the drainage off the Finsch kimberlite pipe and concentrated diamonds in the alluvials at Daniel.

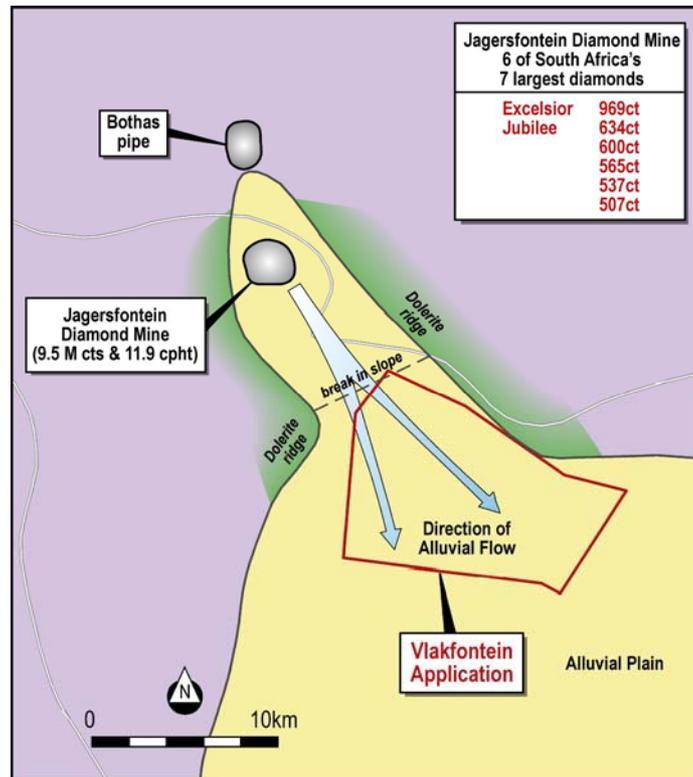


Figure 4

### Commercial Terms

In consideration for the purchase of the four prospecting licences, Rox has agreed to issue 1,000,000 Shares (to be subject to escrow for a period of 12 months) to the owners of Nyala Resources. The 1,000,000 Shares will be issued in stages upon the grant of the prospecting applications as set out in Annexure A.

In addition, the Company has agreed to issue 4,000,000 Nyala Options exercisable at 20 cents each on or before 30 June 2007 to the owners of Nyala Resources which vest as follows:

- 1,000,000 options on commencement of the first bulk sampling programme;
- 1,000,000 options plus A\$100,000 cash on commencement of further exploration/development work on any project the subject of bulk sampling; and
- 2,000,000 options on a decision to mine commercially for diamonds on any project.

The owners of Nyala Resources are Mr Hugh Durey and Mr Ross Brown. A key condition of the agreement is that Rox will retain the services of Mr Durey and Mr Brown during the critical exploration and bulk sampling phases of the projects. Mr Durey and Mr Brown are well-regarded alluvial diamond experts in southern Africa with over 50 years experience between them.

In addition, any projects acquired by Mr Durey or Mr Brown within a 30km radius of the existing projects will be offered to Rox at no cost. Rox will also have a right of first refusal over any tenements held by Mr Durey and Mr Brown outside of this area.

### ***Listing Rule 7.1***

Listing Rule 7.1 requires shareholder approval to the proposed issue of Securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of Securities by a listed company, where the Securities proposed to be issued represent more than 15% of the Company's Shares then on issue.

The following information in relation to the Securities is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Securities the Company can issue is 1,000,000 Shares and 4,000,000 Nyala Options;
- (b) the 1,000,000 Shares will be issued in accordance with the Schedule set out in Annexure A. The Company has obtained from ASX a waiver to Listing Rule 7.3.2 to permit the Company to issue the 1,000,000 Shares described above, no later than 24 months after the date of the Meeting. The 4,000,000 Nyala Options will be issued not later than 3 months after the date of the Meeting;
- (c) the deemed issue price of the 1,000,000 Shares to be issued is 15 cents each. The 4,000,000 Nyala Options are issued for nil consideration;
- (d) the allottees are Mr Hugh Durey and Mr Ross Brown or their nominees;
- (e) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing ordinary fully paid shares on issue. The Nyala Options have the terms as set out in Annexure B of the Explanatory Memorandum; and
- (f) no funds will be raised from the issue, but the issue comprises consideration for the purchase by the Company of the Shares in Nyala Resources (Pty) Limited.

### **RESOLUTION 6 - APPROVAL TO ISSUE SHARES**

Resolution 6 seeks shareholder approval to the issue of a maximum of 15,000,000 Shares at an issue price of not less than 80% of the weighted average of the closing sale price of the Company's Shares on the ASX on the five trading days on which sales are recorded immediately proceeding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus).

As noted above, Listing Rule 7.1 requires shareholder approval to the proposed issue of Shares in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of Securities by a listed company, where the Securities proposed to be issued represent more than 15% of the Company's Securities then on issue. Given the Shares to be issued under Resolution 6 will exceed this 15% threshold, such approval is required.

The following information in relation to the Shares to be issued is provided to shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of Shares the Company can issue is 15,000,000 Shares;
- (b) the Company will allot and issue the 15,000,000 Shares no later than three months after the date of the Meeting;
- (c) the Shares will be issued at a price not less than 80% of the weighted average of the closing sale price of the Shares on the ASX for the five trading days on which sales are recorded immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date of the prospectus);

- (d) the Shares will be issued and allotted to applicants to be determined by the Directors. No decision has, as yet, been made by the Directors in respect of determining the identity of the allottees;
- (e) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing ordinary fully paid shares on issue ; and
- (f) the purpose of the issue is to raise funds for working capital requirements and to progress the development of the Pha Luang lead-zinc project in Lao PDR and the Company's diamond projects in South Africa. At this stage the Company plans to commit approximately 40% of its exploration budget to South Africa and 60% to Laos. At Pha Luang the Company is evaluating the results achieved so far to plan its exploration programme for the dry season from December 2005 to May 2006. This is likely to include extensive geological and structural mapping, geochemical sampling, remote sensing, and further drilling of the targets identified. In South Africa the Company plans an immediate exploration programme including ground gravity surveys followed by drilling of the most prospective kimberlite targets. In addition and bulk sampling at the Cyrus kimberlite is planned this will determine the size, shape, geological complexity, grade and diamond value of this deposit.

## GLOSSARY

<b>“ASX”</b>	means Australian Stock Exchange Limited;
<b>“Company” or “Rox”</b>	means Rox Resources Limited ABN 53 107 202 602;
<b>“Directors”</b>	means Directors of the Company;
<b>“Explanatory Memorandum”</b>	means this information attached to the Notice, which provides information to shareholders about the resolutions contained in the Notice;
<b>“Listing Rules”</b>	means the listing rules of ASX;
<b>“Meeting”</b>	means the annual general meeting the subject of the Notice;
<b>“Notice” or “Notice of Meeting”</b>	means the notice of annual general meeting which accompanies this Explanatory Memorandum;
<b>“Nyala Options”</b>	means the Options having the terms and conditions set out in Annexure B to the Explanatory Memorandum;
<b>“Option”</b>	means an option to acquire a Share;
<b>“Pha Luang Options”</b>	means the Options having the terms and conditions set out in Annexure C to the Explanatory Memorandum;
<b>“Securities”</b>	means Shares and Options;
<b>“Shares”</b>	means fully paid ordinary shares issued in the capital of the Company

## ANNEXURE A

### Shares

	Vendor	
	Durey	Brown
Number of Shares to be Issued		
Upon Grant of the Pampoene Pan application	175,000	175,000
Upon Grant of the Vlakfontein application	150,000	150,000
Upon Grant of the Witpan application	125,000	125,000
Upon Grant of the Swartsrust or any agreed replacement application	50,000	50,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

### Nyala Options

Vendor	Number of Nyala Options to be issued
Durey	2,000,000
Brown	2,000,000
<b>Total</b>	<b>4,000,000</b>

Note: the Nyala Options will be issued to the Vendors upon the terms and subject to the conditions set out in Annexure B.

## ANNEXURE B

### SECTION 1 - TERMS AND CONDITIONS OF NYALA OPTIONS

1. No monies will be payable for the issue of the Nyala Options.
2. A holding statement will be issued for the Nyala Options.
3. The Nyala Options shall expire at 5.00pm WST on 30 June 2007 ("**Expiry Date**").
4. Each Nyala Option shall carry the right in favour of the Nyala Option holder to subscribe for one fully paid ordinary share in the capital of the Company. Nyala Options may only be exercised prior to the Expiry Date in accordance with section 2 of this Schedule.
5. The shares allotted to Nyala Option holders on exercise of the Nyala Options shall be issued at a price of 20 cents each ("**Exercise Price**").
6. The Exercise Price of shares the subject of the Nyala Options shall be payable in full upon exercise of the Nyala Options.
7. Nyala Options shall be exercisable by the delivery to the registered office of the Purchaser of a notice in writing stating the intention of the Nyala Option holder to:
  - a) exercise all or a specified number of the Nyala Options;
  - b) pay the subscription monies in full for the exercise of each Nyala Option.
8. The notice must be accompanied by a cheque made payable to the Purchaser for the subscription monies for the shares. An exercise of only some Nyala Options shall not affect the rights of a Nyala Option holder to the balance of the Nyala Options held by the Nyala Option holder.
9. The Company shall allot the resultant shares and deliver the holding statement within five Business Days of the exercise of the Nyala Options.
10. The Nyala Options are not transferable.
11. Shares allotted pursuant to an exercise of Nyala Options shall rank, from the date of allotment, equally with existing ordinary fully paid shares in the capital of the Company in all respects.
12. The Nyala Options will not be listed for official quotation on the ASX.
13. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of Nyala Options or the exercise price of the Nyala Options or both shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.
14. The Nyala Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Nyala Options.
15. There are no participating rights or entitlements inherent in the Nyala Options and holders of the Nyala Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Nyala Option.

## SECTION 2 - EXERCISE OF NYALA OPTIONS

16. The Nyala Options will be exercisable prior to the Expiry Date as follows:

- (a) 1,000,000 of the Nyala Options shall be exercisable no earlier than the date of commencement of the first bulk-sampling programme on any Project;
- (b) 1,000,000 of the Nyala Options shall be exercisable no earlier than the date of commencement of exploration/development work on any Project after Rox Resources Limited having completed a bulk-sampling programme on that project; and
- (c) 2,000,000 of the Nyala Options shall be exercisable no earlier than the date on which a final decision to commercially mine for diamonds on any Project is made.

## ANNEXURE C

### TERMS AND CONDITIONS OF PHA LUANG OPTIONS

1. No monies will be payable for the issue of the Options.
2. The Options shall expire on 30 April 2007 ("Expiry Date").
3. Subject to condition 11 each 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"). Options may be exercised after the date of issue and prior to 5.00pm on 30 April 2007 ("Exercise Period").
4. Subject to condition 11 the Shares allotted to option holders on exercise of options shall be issued at a price of 20.0 cents each ("Exercise Price").
5. Subject to condition 11 the Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
6. 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:
  - (a) exercise all or a specified number of Options; and
  - (b) pay the subscription monies in full for the exercise of each 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 Options shall not affect the rights of the Option holder to the balance of the Options held by him.

7. The Company shall allot the resultant Shares and deliver the holding statement within fourteen business days of the exercise of the Option.
8. The Options shall only be transferable to a related party.
9. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
10. If the Company's Shares become listed on the Australian Stock Exchange ("ASX") the Company shall in accordance with the Listing Rules of ASX make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{1}$$

- O' = the new exercise price of the Option  
O = the old exercise price of the Option  
E = the number of underlying securities into which one 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 in 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 rights to one new security.

12. In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the Option holder would have received if the 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.
13. 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 Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
14. The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.
15. There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## PROXY FORM

The Company Secretary

Rox Resources Limited

Address: Ground Floor, 1 Altona Street  
WEST PERTH WA 6005

Facsimile: (08) 9486 4933

I/We (name of shareholder) .....

of (address) .....

being a member/members of Rox Resources Limited HEREBY APPOINT

(name) .....

of (address) .....

and/or failing him (name) .....

of (address) .....

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the 2005 Annual General Meeting of the Company to be held on 24 November 2005 at 10.00am at the Pinnacles Room, Parmelia Hilton, 14 Mill Street, Perth, WA and at any adjournment of the meeting.

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Michael Blakiston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Issue of Shares to First Pacific Mining Lao Co. Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Shares and Pha Luang Options to Campbell Baird	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Shares and Pha Luang Options to Durey and Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval to Issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of Resolutions 3-6 and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of Resolutions 3-6.

Dated: 2005

***This Proxy is appointed to represent \_\_\_\_% of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_% and Proxy 2 represents \_\_\_\_% of my total votes  
My total voting right is \_\_\_\_\_ shares***

*If the shareholder is an individual:*

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

*If the shareholder is a company:*

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting **that is by 10.00am WST on 22 November 2005** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in anyway that the proxy sees fit.



*For shareholder information contact:*

**SHARE REGISTRY**

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

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

*For information on your company contact:*

**PRINCIPAL & REGISTERED OFFICE**

Ground Floor  
1 Altona Street  
West Perth, Western Australia, 6005

ABN: 53 107 202 602

Telephone: (08) 9486 4537  
Facsimile: (08) 9486 4933  
Web: [www.roxresources.com.au](http://www.roxresources.com.au)