



10 April 2007

Dear Fellow Shareholder,

Given some of the recent developments within your Company and at the Pha Luang project in Laos, I wanted to convey to shareholders the progress we have made and the opportunity for value adding we see unfolding at Pha Luang as we proceed with this field season's exploration and drilling program.

We are firmly committed to Pha Luang, our flagship project, which we believe represents a ground floor entry into a major zinc and lead opportunity.

Since identifying and acquiring our 60% stake in Pha Luang in 2005, Rox has made considerable progress towards evaluating the project. In that time we have demonstrated the potential for a significant zinc and lead deposit.

Pha Luang has already added value to your Company. However, I must highlight that the current attributed market value is far below what we believe the value really is.

In order to more readily convey that value to the market we have recently strengthened our leadership team with the appointment of Jeff Gresham as Chairman and we have adopted an aggressive exploration strategy at Pha Luang. The gold and diamond projects were divested last year to ensure that we are focussed and well-funded to implement this strategy.

During the current field season (October 2006 to June 2007) we will be testing a number of prospects at Pha Luang to identify sulphide mineralisation and better understand the regional geology in order to demonstrate that we have a Mississippi Valley Type (MVT) district of mineralisation. We would then expect in the following field season to be in a position to start proving up resources.

To establish an MVT district at Pha Luang would not only be a major achievement, given that none have yet been found in South East Asia, but more importantly would provide a potentially large economic benefit to Rox. MVT districts can be large, ranging between 25 and 100 million tonnes, and the deposits generally have excellent metallurgical qualities.

So far we have been very encouraged by our exploration results in Laos. It is worth recognising the efforts of our exploration and drilling teams who are operating in extremely rugged country at Pha Luang. Although this can present a logistical challenge, we also see it as an opportunity as it means there has been no modern exploration in the area, until now.

Despite these difficulties, our latest drill programme has been completed at a faster rate than anticipated thanks to the teams on the ground. Already we have drilled 38 holes for 2,800m at the Nam Yen prospect (the first prospect where zinc and lead sulphide mineralisation was intersected) and the nearby Pha Sod and Switchback prospects.



Drilling at Nam Yen continued to return wide thicknesses of ore grade mineralisation and extended the known mineralisation to the south with the mineralised zone still open in all directions. Significantly, a second, new area of high-grade mineralisation was also defined.

Drilling at the new Pha Sod prospect also intersected high grade oxide mineralisation in the upper section of a number of holes and wide intercepts of very fine-grained, lower grade zinc sulphide in the lower portions of the holes. It is believed these intercepts represent the low grade halo adjacent to a zone of higher grade mineralisation, which is represented by strong surface geochemistry and outcropping massive sulphides.

While drilling at the Switchback prospect failed to intersect any significant sulphide mineralisation the results have given us a new insight into the geology. We now see the very strong geochemical indicators in the area as representing the regional mineralising fluid pathway and that economic sulphide mineralisation may be contained in cross-cutting structures not yet drilled.

To aid our exploration effort we are also undertaking Induced Polarisation (IP) geophysical surveys at Nam Yen, Switchback and Pha Sod, and we are continuing our extensive geochemical sampling programme.

The drilling planned for the remainder of the field season will explore for the higher grade zones at Pha Sod as well as extensions at Nam Yen, and the new, as yet undrilled, Pha Daeng prospect.

As well as looking forward to results from our exploration at Pha Luang, we are also continuing to push ahead with a wider strategy to diversify our project portfolio. This assessment includes Laos, where we continue to see excellent potential to develop mineral resources as well as other parts of SE Asia, including Australia, where we continually evaluate opportunities.

In Laos, based on our success so far, we feel strongly mandated to continue pursuit of opportunities there. We already have a first right of refusal to participate in a number of our joint venture partners' other resource projects and we have applied for some 300km<sup>2</sup> of prospective tenure in our own right.

Locally, we have also established strong connections to the business community and good relations with the Lao Government, which has stated its aim to promote mining as a priority sector. Despite a recent delay, we are confident our Foreign Investment License application will be approved shortly.

I look forward to the next few months providing a stream of positive news from our exploration activities at Pha Luang.

Please do not hesitate to contact me should you require further information at any stage.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Mulholland', written in a cursive style.

**Ian Mulholland**  
**Managing Director**