

## Quarterly Report

For the period ended 31 December 2004

### OVERVIEW

During the December quarter Rox has been consolidating results of all of its exploration programs carried out during 2004. A total of 10,119 metres of drilling has been completed in the short time (8 months) since listing (3,355 metres of RC and 6,764 metres of RAB), together with new resource estimations and pit optimisations of the five major deposits.

The company has discovered new gold mineralisation at Ballarat Menzies, and defined extensions to known deposits at Lady Shenton North, Lady Harriet South and Wedderburn (First Hit South).

One metre splits from five metre composites were received during the quarter, with significant results received such as **3m @ 33 g/t Au (including 1 metre at the spectacular grade of 96.9 g/t Au)** from Lady Shenton North, and **4m @ 5.72 g/t Au (including 1m @ 11.0 g/t Au)** from Ballarat Menzies.

The company is now planning deep drilling at Lady Shenton and Yunnadaga to test extensions to the major lodes previously mined there at the turn of the 20<sup>th</sup> century.

Rox also discovered the Acacia Ridge nickel laterite deposit west of Yunnadaga, with high-grade nickel hits of **14 metres at 0.91% Ni, 0.17% Co** and **15 metres at 0.76% Ni, 0.17% Co** being recorded. This has the potential to be a significant deposit for Rox, and developments with Heron's adjacent Kalgoorlie Nickel project are being closely monitored.

The company is in a strong financial position, and as such regularly receives new projects to review. Rox will continue to evaluate new opportunities with a view to complement the Menzies project or demonstrate the opportunity to add significant value.

### EXPLORATION AND DEVELOPMENT ACTIVITIES

#### *RC Drilling*

Results from 5 metre composite samples from recent drilling were announced in the September Quarterly report. Rox received results from 1 metre split samples from the 5 metre composites and announced these in November. The drilling defined mineralisation at the Lady Shenton North prospect and the Ballarat Menzies prospect. Full results are shown in Table 1.

The mineralisation at the Lady Shenton North (hole prefix LSRC) and Ballarat Menzies (hole prefix BMRC) prospects remains open along strike to the north and at depth.

At Lady Shenton North gold mineralisation occurs within a steep west dipping quartz feldspar porphyry intrusion as well as on its footwall contact with sheared amphibolite.

At Ballarat Menzies gold mineralisation occurs within a highly sheared talcose tremolite unit along a 150 metre zone below numerous shallow historic gold workings. The historic gold diggings extend for a further 100 metres along strike to the north, which appear not to have been tested by any drilling in the past.

Hole	New 1 metre split results	Previous 5 metre composite result
LSRC0004	<b>3 metres at 33.0 g/t Au from 5m to 8m</b> 6 metres at 2.25g/t Au from 20m to 26m	<b>5m at 12.1 g/t Au from 5m to 10m</b> 5m at 1.96 g/t Au from 20m to 25m
LSRC0006	6 metres at 1.34g/t Au from 23m to 29m	10m at 0.94g/t Au from 20m to 30m
BMRC0001	<b>4 metres at 5.72g/t Au from 12m to 16m</b>	5m at 1.81g/t Au from 10m to 15m 5m at 1.11g/t Au from 25m to 30m
BMRC0002	2 metres at 3.35g/t Au from 20m to 22m	5m at 0.61g/t Au from 20m to 25m
BMRC0005	4 metres at 1.12g/t Au from 39m to 43m	
BMRC0006	4 metres at 2.05g/t Au from 40m to 45m 2 metres at 1.11g/t Au from 48m to 50m	5 metres at 1.44g/t Au from 40m to 45m
BMRC0007	3 metres at 2.65g/t Au from 14m to 17m 4 metres at 1.03g/t Au from 21m to 25m	5 metres at 0.98g/t Au from 10m to 15m

Rox is now planning a drilling program to test deep targets below the Lady Shenton and Yunndaga open pits. Due to logistical requirements (rig availability and government approvals), this program is likely to take place in the first quarter of 2005.

## FINANCIAL

As at 31 December 2004, Rox had 32.27 million shares on issue and cash on hand of \$2.5 million.

## ABOUT ROX

Rox was listed on the ASX on 27 April 2004, after raising \$4.5 million in its IPO. Rox is a Perth-based gold exploration company focussed on the historic Menzies Goldfield 130 km north of Kalgoorlie in Western Australia. Menzies is a million ounce goldfield with past production from underground mining of more than 650,000 ounces of gold at a grade of 22.5 g/t Au and recent production from open pit mining of over 140,000 ounces at 2.6 g/t Au. Current resources total 170,900 ounces grading 2.5 g/t Au.

Dated this 27th day of January 2005.

Signed on behalf of the Board of Rox Resources Limited.



**IAN MULHOLLAND**  
**Managing Director**

**FOR FURTHER INFORMATION CONTACT:**

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

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

**Table 1: Menzies RC Gold Drilling 1m Splits Results -November 2004**

Hole ID	Un-surveyed GDA'94 Coordinates		Total Depth (m)	1m Sample Split Intercepts (0.5g/t Au lower cut off)			
	North	East		From	To	Length	Au
				(m)	(m)	(m)	(g/t)
WBRC0004	6713625	308625	60	43	44	1	1.22
WBRC0006	6713595	308605	85	61	63	2	1.48
LSRC0004	6712634	308989	45	5	8	3	32.98
			<i>Incl</i>	5	6	1	96.83
				10	11	1	1.18
				20	26	6	2.25
			<i>Incl</i>	22	24	2	4.27
LSRC0005	6712620	308975	66	29	30	1	0.82
				38	40	2	1.44
LSRC0006	6712654	308949	64	23	29	6	1.34
BMRC0001	6709936	311057	35	12	16	4	5.72
			<i>Incl</i>	12	13	1	11.01
				21	22	1	1.56
				27	28	1	2.61
BMRC0002	6709903	311076	35	20	22	2	3.35
BMRC0003	6709891	311067	79	36	37	1	2.67
BMRC0005	6709835	311105	35	18	22	4	1.12
BMRC0006	6709811	311091	75	39	43	4	2.05
				48	50	2	1.11
BMRC0007	6709800	311135	43	14	17	3	2.65
				21	25	4	1.03

All holes apart from those prefixed WBRC were drilled at -60 degrees towards 053 magnetic azimuth. 1m split sampling, FA50 Fire gold assay, 0.5 g/t Au lower cut-off for. Collar positions are on GDA94 Grid Datum. WBRC holes were drilled at -60 degrees toward 090 magnetic azimuth

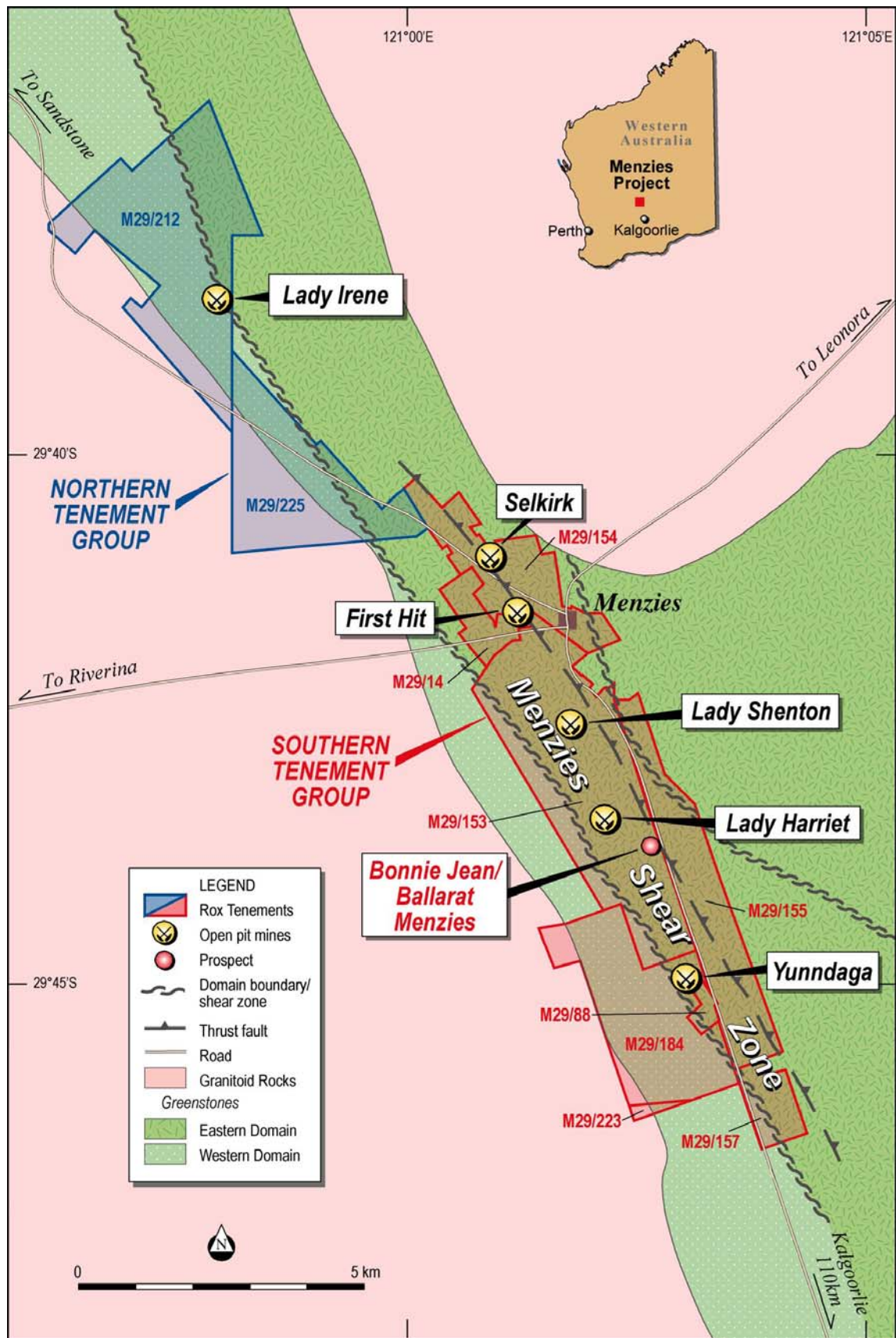


Figure 1: Menzies Project Deposit and Prospect Locations

## APPENDIX 5B

### Mining Exploration entity quarterly report

Name of entity

ROX RESOURCES LIMITED

ACN or ARBN

107 202 602

Quarter ended ("current quarter")

December 2004

### Consolidated statement of cash flows

	Current Quarter A\$'000	Year to Date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(269)	(561)
(b) development	-	-
(c) production	-	-
(d) administration	(116)	(262)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	34	73
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(351)</b>	<b>(750)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(10)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Security Bonds	(104)	(104)
<b>Net investing cash flows</b>	<b>(104)</b>	<b>(114)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(455)</b>	<b>(864)</b>

1.13 Total operating and investing cash flows (brought forward)	(455)	(864)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares (net of costs)	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(455)	(864)
1.20 Cash at beginning of quarter/year to date	2,953	3,362
1.21 Exchange rate adjustments to 1.20	-	-
1.22 <b>Cash at end of quarter</b>	2,498	2,498

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	68
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil
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**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
<b>Total</b>	200

**Reconciliation Of Cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6	-
5.2 Deposits at call	2,492	2,993
5.3 Bank overdraft	-	(40)
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	2,498	2,953

**Changes in interests in mining tenements**

No changes during the quarter. See attached Schedule A for list of tenements.



### Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-			
7.2 Changes during quarter	-			
7.3 <b>Ordinary securities</b>	32,272,000	22,638,618		
7.4 Changes during quarter - Issued	-			
7.5 <b>Convertible debt securities</b> <i>(description and conversion factor)</i>	-			
7.6 Changes during quarter	-			
7.7 <b>Options</b> <i>(description and conversion factor)</i>	5,250,000	Nil	<i>Exercise Price</i> \$0.20	<i>Expires</i> 31 January 2009
	1,200,000	Nil	\$0.20	30 April 2007
7.8 Issued during quarter	-			
7.9 Exercised during quarter				
7.10 Expired during quarter	-			
7.11 <b>Debentures</b> <i>(totals only)</i>	-			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-			

## Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 27 January 2005

Company Secretary

Print Name: Brett Dickson

**SCHEDULE A**

**Interests in mining tenements held**

Tenement Reference	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
M29/14	Owned	100%	100%
M29/88	Owned	100%	100%
M29/153	Owned	100%	100%
M29/154	Owned	100%	100%
M29/157	Owned	100%	100%
M29/184	Owned	100%	100%
M29/212	Owned	100%	100%
MLA29/223	Owned	100%	100%
MLA29/225	Owned	100%	100%
L29/41	Owned	100%	100%
L29/42	Owned	100%	100%
L29/43	Owned	100%	100%
L29/44	Owned	100%	100%
L29/58	Owned	100%	100%

Glossary

M	Mining Lease
MLA	Mining Lease Application
L	Miscellaneous Licence