



## Quarterly Report

For the Quarter Ended 30 June 2004

### HIGHLIGHTS

The Company completed the acquisition of its Menzies project, 130km north of Kalgoorlie, and listed on the ASX on 27 April 2004 after raising \$4.5 million.

Current resources at Menzies total 153,563 ounces (1.7Mt @ 2.75 g/t) and the inaugural drilling programme successfully identified three new mineralised zones. This success will be followed up with further drill programmes as a matter of priority as the new mineralised zones have the potential to enhance the prospect for an increase in resources. Significant drilling intercepts include:

- 2 metres @ 10.8 g/t from 31 metres depth at First Hit
- 1 metre @ 15.1 g/t from 37 metres depth at Lady Harriet
- 4 metres @ 4.0 g/t from 70 metres depth at Lady Harriet
- 2 metres @ 8.6 g/t from 59 metres depth at Lady Shenton

### Exploration and Development Activities

#### *RC Drilling*

A 2,000 metre RC drilling program was completed testing a number of targets defined by prior drilling. Assays have been received with significant intercepts as follows:

- 2 metres @ 10.8 g/t from 31 metres depth at First Hit
- 1 metre @ 15.1 g/t from 37 metres depth at Lady Harriet
- 4 metres @ 4.0 g/t from 70 metres depth at Lady Harriet
- 2 metres @ 8.6 g/t from 59 metres depth at Lady Shenton

The drill intercepts from First Hit and Lady Shenton are significant as they indicate the potential for significant zones of mineralisation extending south (First Hit) or north (Lady Shenton) of current open pits. These zones will be followed-up with RC drilling as a priority.

The intercepts from Lady Harriet further extend an ore shoot south of the Lady Harriet open pit, which together with unmined zones beneath the pit constitute a resource currently being estimated.

Full drilling results above a 1 g/t Au cut-off are included in the attached table.

### ***Resource Estimation***

Current resources stand at 153,563 ounces (1.73 Mt @ 2.75 g/t) made up from seven deposits. Rox has reviewed the data on each of these deposits and initiated remodelling of the resources. As each deposit is remodelled, new pit optimisations to determine minable ore reserves will be run using more favourable economic criteria than those applied during prior mining activities in 1997-1999, e.g. higher gold price (A\$550/oz vs. A\$450/oz previously), and lower royalty payments (1% NSR, equivalent to about \$0.50/t vs. \$3.00/t previously). It is anticipated that a revised resource and reserve statement will be made during the next quarter.

### ***Work Planned***

An aggressive exploration campaign is planned for the next quarter with a 7,000 metre RAB drilling programme and a 4,000 metre RC drilling programme expected to be completed.

The RAB drilling will test a number of old workings and soil anomalies. A particular focus will be a zone of old workings that lie within a 1km x 0.2km soil anomaly with gold values peaking over 100ppb. This area has had little previous drilling and represents an attractive target on the same mineralised structure as the high grade Selkirk and First Hit gold mines to the north. Other targets are along strike from the Aspacia, Lady Shenton and First Hit mines.

The RC drilling is scheduled to commence immediately after the RAB drilling and will follow-up the new zones of mineralisation discovered at First Hit and Lady Shenton, and will test other targets identified from resource modelling.

### **Financial**

As at 30 June 2004, the Company had 32.27 million shares on issue and cash on hand of \$3.36 million.

### Menzies Drill Results June 2004

Hole	GDA East	GDA North	Dip	Azimuth (Mag)	Depth (m)	From	To	Interval	Au g/t*
FHRC0001	308625	6713650	-60°	90°	115	31	33	2	10.78
GARC0001	309922	6711623	-60°	53°	90	60	61	1	1.13
GARC0001						64	68	4	2.06
GARC0002	309918	6711645	-60°	53°	95	58	59	1	1.71
GARC0002						62	64	2	1.12
GARC0002						72	73	1	1.04
GARC0002						76	79	3	1.12
GARC0003	309910	6711689	-60°	53°	90	61	62	1	1.18
LHRC0001	310054	6709925	-60°	53°	136	41	43	2	2.75
LHRC0001						46	47	1	1.44
LHRC0001						55	56	1	2.66
LHRC0001						132	133	1	1.34
LHRC0002	310048	6710072	-60°	53°	43	37	38	1	15.12
LHRC0003	310032	6710060	-60°	53°	80	48	51	3	1.59
LHRC0003						53	55	2	2.29
LHRC0003						67	68	1	1.52
LHRC0004	310017	6710048	-60°	53°	130	86	87	1	2.78
LHRC0005	310033	6709985	-60°	53°	140	20	21	1	1.72
LHRC0005						104	106	2	2.58
LHRC0006	310074	6709959	-60°	53°	90	45	47	2	1.89
LHRC0006						50	52	2	3.40
LHRC0006						70	74	4	4.00
LSRC0001	308929	6712589	-60°	53°	90	72	73	1	1.02
LSRC0001						75	76	1	2.20
LSRC0001						88	90	2	2.12
LSRC0002	309005	6712571	-60°	53°	90	59	61	2	8.59
LSRC0003	307963	6712046	-60°	53°	120	20	21	1	3.58
PIRC0001	310319	6709792	-60°	53°	90	NSR			
PIRC0002	310302	6709779	-60°	53°	120	68	69	1	1.35
PIRC0003	310382	6709664	-60°	53°	103	NSR			
SYRC0001	308062	6714225	-60°	59°	91	NSR			
WRRC0001	309774	6710441	-60°	53°	110	73	74	1	1.07
WRRC0001						95	96	1	2.45
WRRC0002	309748	6710474	-60°	53°	125	96	97	1	1.99
WRRC0002						118	120	2	4.54
WRRC0003	309745	6710520	-60°	53°	91	NSR			

\* 1 g/t Au minimum cut-off

Samples were obtained from face sampling hammer RC holes. Samples were collected at 1m intervals, riffle split, and assayed by AAS. Any result greater than 2 g/t Au was re-assayed by 50 g fire assay.

Dated this 26<sup>th</sup> day of July 2004.

Signed on behalf of the Board of Rox Resources Limited.



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

**Please direct enquiries to:**

Ian Mulholland

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The information on mineralisation contained in this report 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 and is an officer of Rox Resources Limited.

## APPENDIX 5B

### Mining Exploration entity quarterly report

Name of entity

**ROX RESOURCES LIMITED**

ACN or ARBN

**107 202 602**

Quarter ended ("current quarter")

**June 2004**

### Consolidated statement of cash flows

	Current Quarter A\$'000	Year to Date (12 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	(245)	(245)
(b) development	-	-
(c) production	-	-
(d) administration	(42)	(42)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	37	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(250)</b>	<b>(250)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(500)	(500)
(b) equity investments	-	-
(c) other fixed assets	(14)	(14)
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	-	-
<b>Net investing cash flows</b>	<b>(514)</b>	<b>(514)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(764)</b>	<b>(764)</b>

1.13 Total operating and investing cash flows (brought forward)	(764)	(764)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares (net of costs)	4,126	4,126
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>4,126</b>	<b>4,126</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,362)</b>	<b>(3,362)</b>
1.20 Cash at beginning of quarter/year to date	-	-
1.21 Exchange rate adjustments to 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>3,362</b>	<b>3,362</b>

**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

*During the period the Company completed the acquisition of its Menzies project. This involved the payment of \$500,000 cash plus the issue of 2,500,000 Rox Resources Limited shares at \$0.20 each.*

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

<i>Nil</i>
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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	400
4.2 Development	-
<b>Total</b>	400

**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	(1)	-
5.2 Deposits at call	3,363	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	3,362	-

**Changes in interests in mining tenements**

See attached Schedule A.

### 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	22,572,000		
7.4 Changes during quarter - Issued	24,772,000	22,572,000	\$0.20	\$0.20
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	1,200,000	Nil	\$0.20	30 April 2007
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: 26 July 2004

Company Secretary

Print Name:         Brett Dickson

**SCHEDULE A**

**Interests in mining tenements acquired or increased during the quarter**

<b>Tenement Reference</b>	<b>Nature of Interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
M29/14	Owned	0%	100%
M29/88	Owned	0%	100%
M29/153	Owned	0%	100%
M29/154	Owned	0%	100%
M29/157	Owned	0%	100%
M29/184	Owned	0%	100%
M29/212	Owned	0%	100%
MLA29/223	Owned	0%	100%
MLA29/225	Owned	0%	100%
L29/41	Owned	0%	100%
L29/42	Owned	0%	100%
L29/43	Owned	0%	100%
L29/44	Owned	0%	100%
L29/58	Owned	0%	100%

Glossary

M	Mining Lease
MLA	Mining Lease Application
L	Miscellaneous Licence