

## HIGHLIGHTS

- ◆ **Work program at Pha Luang zinc-lead project in Laos scheduled to continue on return of dry season**
- ◆ **New joint venture signed to explore a significant tenement area in the Lennard Shelf zinc-lead mineral province of Western Australia**
- ◆ **Initial sampling to commence at Lennard Shelf Project upon land clearances being obtained**
- ◆ **Annual General Meeting scheduled for 22 November 2007**

## PHA LUANG ZINC-LEAD PROJECT, LAOS

Three diamond drill holes, for 1,433 metres, to test significant IP chargeability anomalies at the Nam Yen and Bon Noi prospects (Figure 1) were completed during the quarter. Drilling did not intersect significant sulphide mineralisation or any obvious sources for the IP anomalies. Petrophysical test work carried out on the drill core did not reveal any sources for the anomalies either. A comprehensive review of the IP data is currently being carried out.

The best drill results, using a 0.5% Zn cut-off were:

PLRD088	0 – 8 metres,	8m @ 0.93% Zn, 1.06% Pb, 3.7 g/t Ag
	337 – 339 metres,	2m @ 0.53% Zn, 0.00% Pb, 1.4 g/t Ag
	397 – 398 metres,	1m @ 0.53% Zn, 0.04% Pb, 3.1 g/t Ag
	429 – 430 metres,	1m @ 0.91% Zn, 0.00% Pb, 4.6 g/t Ag
PLRD091	0 – 4 metres,	4m @ 1.46% Zn, 0.27% Pb, 2.2 g/t Ag
	426 – 428 metres,	2m @ 0.53% Zn, 0.01% Pb, 1.2 g/t Ag

Details of these drill holes are shown in Table 1.

Drilling operations at Pha Luang have been suspended, while drill targets are further evaluated and the wet season passes. Drilling conditions during the wet season have been challenging, with the amount of available drilling days severely affected by the extremely wet conditions. These conditions are the expected norm during wet season operations in Laos.

The company is actively progressing its Foreign Investment Licence application in Laos. During September Rox was granted a Business Operating Licence, a Tax Licence and a Registered Office Licence. Rox's interest in the Pha Luang project is currently secured under contract law by a fully signed and government approved joint venture agreement with its Lao partners.

Information from government and advisory sources indicate that the Foreign Investment Licence application, which will allow Rox to create a new joint venture company in Laos with direct ownership of the Pha Luang project, is progressing through the system.

Weather conditions will greatly improve with the commencement of the dry season expected in November, and the exploration programme consisting of geological mapping and soil sampling will be continued. A number of very strong drill targets remain untested.

**“A number of very strong drill targets remain untested”**

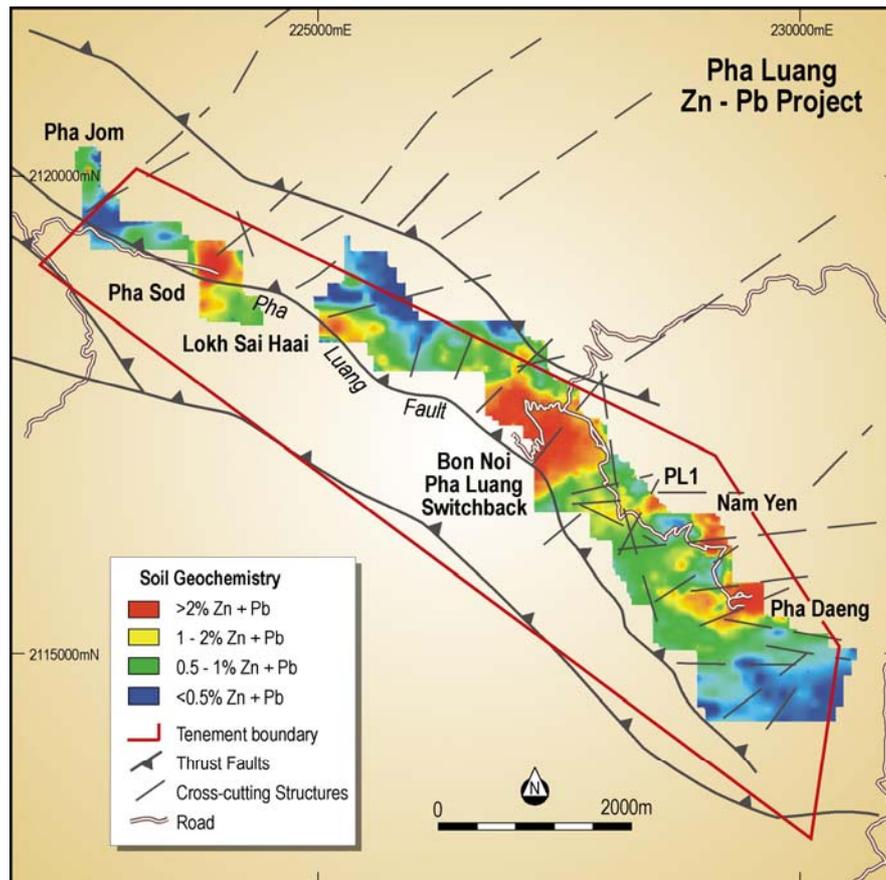


Figure 1: Pha Luang Prospect Location and Soil Sampling Plan

## LENNARD SHELF ZINC-LEAD PROJECT, AUSTRALIA

In September 2007, Rox announced that it had entered into a joint venture agreement with Avalon Minerals Limited (ASX: AVI, "Avalon") to explore for zinc and lead deposits in the world class Mississippi Valley Type (MVT) Lennard Shelf mineral province in Western Australia.

Rox will be the manager of the Lennard Shelf Joint Venture and will initially have a 12 month option during which it will be required to spend \$500,000 on exploration. Rox can then earn a 60% interest in the project by issuing \$300,000 worth of Rox shares to Avalon and spending a further \$1.5 million over three years. Rox believes this project will complement its existing Laos project extremely well.

The Lennard Shelf is a proven zinc-lead mineral province with a mineral endowment of about 40 million tonnes of zinc-lead resources grading about 10% zinc equivalent. Previous exploration work over the joint venture tenement area has produced an extensive database that will enable Rox to rapidly progress exploration.

The joint venture tenements represent one of the largest land holdings in the area and cover 2,600km<sup>2</sup> in the central and southeast Lennard Shelf (Figure 2), where the largest deposits (Cadjebut and Pillara) are located. The three blocks of tenements have been given the project names Oscar Range, Lawford and Barramundi.

Teck Cominco and Xstrata are currently mining Pillara under a 50/50 joint venture with quoted ore reserves at the project of 3.0Mt at 7.3% zinc and 1.8% lead.

A thorough study of the tenement area has been prepared by consulting geologists, CSA Australia and a number of areas have been identified that warrant immediate follow-up and which will be the focus of Rox's immediate exploration programme. CSA is considered to be a leader in lead-zinc mineralisation and exploration in Australia and South East Asia.

**"The Lennard Shelf is a proven zinc-lead mineral province with a mineral endowment of about 40 million tonnes of zinc-lead resources"**

Avalon, who have an excellent relationship with the Kimberly Land Council (“KLC”), have already advanced negotiations for land access, and field work will commence as soon as heritage clearances are received from the traditional owners. Other standard JV terms such as dilution, tenement maintenance, pre-emptive rights, an area of influence and environmental responsibility apply to the agreement.



Figure 2: Lennard Shelf Project Locations

## WORK PLANS

### Pha Luang Project, Laos

Once the dry season returns (anticipated in November 2007) the programme of geological mapping and soil sampling will continue. This has been successful in locating a number of new prospects and generating drill targets in the past. In addition, a number of very strong drill targets, such as Pha Daeng, Pha Sod and extensions to Nam Yen remain untested.

### Lennard Shelf Project, Western Australia

Once land clearances have been obtained from the Traditional Owners and Kimberley Land Council, a program of regional soil sampling will commence.

### New Project Generation

The Company continues to actively review potential new opportunities, particularly zinc-lead projects in Australia and South East Asia.

“The Company continues to actively review potential new projects, especially zinc-lead, or copper-gold projects in Australia or South East Asia”

## FINANCIAL

At the end of the September 2007 quarter, Rox had 57,875,333 shares, 10,300,000 unlisted options on issue and cash of \$2.8 million.

Dated this 25<sup>th</sup> day of October 2007

Signed on behalf of the Board of Rox Resources Limited.



**IAN MULHOLLAND**  
Managing Director

### Directors & Management

Jeff Gresham – Chairman  
Ian Mulholland – Managing Director  
Michael Blakiston – Non Executive Director  
Brett Dickson – CFO & Company Secretary

### Issued Capital

57.9M shares  
10.3M unlisted options

### Top Shareholders

Ivernia Inc. 6.4%  
Deep Yellow 3.5%  
RA Healy 2.7%

## FOR FURTHER INFORMATION CONTACT:

Ian Mulholland, Managing Director  
Tel: (08) 6380 2966

*Table 1: Details of RC Drill Holes Completed During the September 2007 Quarter*

Hole Number	Prospect	Easting (WGS84)	Northing (WGS84)	RL	Dip	Azimuth (Mag)	Total Depth	MINERALISATION			Zn	Pb	Ag
								From	To	Interval	%	%	ppm
PLRD088	Bon Noi	227068	2117642	1538	- 60°	210°	602.1	0	8	8	0.93	1.06	3.7
								337	339	2	0.53	0.00	1.4
								397	398	1	0.53	0.04	3.1
								429	430	1	0.91	0.00	4.6
PLRD091	Bon Noi	227155	2117800	1474	- 55°	060°	434.0	0	4	4	1.46	0.27	2.2
								426	428	2	0.53	0.01	1.2
PLD095	Nam Yen	229120	2115815	1153	-70°	270°	397.1	NSR					

*Above a 0.5% Zn lower cut-off, maximum 1 metre internal dilution*

*NSR = No Sample Results above cut-off*

*All assays by ALS Chemex Brisbane, using methods ME-ICP61s and OG62*

## **About Rox Resources**

Rox Resources is an emerging Australian exploration company focussing on lead-zinc deposits, particularly deposits of the Mississippi Valley Type (MVT). MVT lead zinc deposits are known across the world and usually occur in “districts”, providing some 35% of the world’s lead–zinc resources. Notable MVT districts and/or deposits include the Lennard Shelf and Admiral Bay in NW Australia, Navan (Ireland), Mehdiabad (Iran), Reocin (Spain), Fankou (China) and the Mississippi Valley area of the USA.

Rox owns a 60% interest in the Pha Luang lead-zinc sulphide project in Laos which it believes has the potential to become a large new lead-zinc district. The project area covers a 20km<sup>2</sup> mining concession area and contains more than 20 MVT lead-zinc prospects. Rox is the first explorer to apply modern techniques to the area. Mineralisation is widespread with zinc oxides and lead sulphides outcropping in various places along a strike length of over 10km.

Rox has been successful at defining mineralisation at a number of prospects in the Pha Luang project, with over 9,000 metres of drilling conducted so far. A number of very strong drill targets, and extensions to known mineralisation remain untested. Rox is now among several Australian mining companies enjoying success in Laos where the Government has stated its intentions to embrace mining as a priority industry.

Rox is accustomed to, and comfortable with operating in Laos, and maintains a fully staffed exploration office in the Lao capital, Vientiane, to support the Pha Luang project.

Rox also recently announced an option to joint venture a large 2,600 km<sup>2</sup> holding of ground on the Lennard Shelf in Western Australia. The Lennard Shelf is a known MVT province with past production, and has a mineral resource endowment of about 40 million tonnes at about 10% zinc equivalent grade. There is an extensive exploration and research database that Rox plans to use to efficiently and effectively explore the area, building upon its MVT expertise as manager of the proposed JV.

Rox continues to actively review potential new opportunities, particularly zinc-lead projects in Australia and South East Asia.

*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, 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.*

**APPENDIX 5B**  
**Mining Exploration Entity Quarterly Report**

Name of entity

**ROX RESOURCES LIMITED**

ACN or ARBN

**107 202 602**

Quarter ended ("current quarter")

**September 2007**

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current Quarter A\$'000	Year to Date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(802)	(802)
(b) development	-	-
(c) production	-	-
(d) administration	(301)	(301)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	53	53
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Security bonds	-	-
<b>Net Operating Cash Flows</b>	<b>(1,050)</b>	<b>(1,050)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,050)</b>	<b>(1,050)</b>

1.13 Total operating and investing cash flows (brought forward)	(1050)	(1050)
<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>	(1,050)	(1,050)
1.20 Cash at beginning of quarter/year to date	3,855	3,855
1.21 Exchange rate adjustments to 1.20	-	-
1.22 <b>Cash at end of quarter</b>	2,805	2,805

**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	83
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

<i>During the quarter the company entered into an option agreement with Avalon Minerals Limited whereby it may earn 60% interest in tenements located in the Lennard Shelf area of Western Australia.</i>
---

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>
------------

**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	316
4.2 Development	-
<b>Total</b>	316

**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	25	47
5.2 Deposits at call	2,780	3,808
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	2,805	3,855

**Changes in interests in mining tenements**

Nil.

**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>	57,875,333	57,875,333		
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>			<i>Exercise Price</i>	<i>Expires</i>
	5,250,000	Nil	\$0.20	31 January 2009
	2,500,000	Nil	\$0.675	12 July 2009
	1,600,000	Nil	\$0.35	30 Nov 2009
	950,000	Nil	\$0.35	31 May 2010
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: 25<sup>th</sup> October 2007



Company Secretary

Print Name: Brett Dickson