

Teena Project Re-sampling and Outlook



Open Briefing interview with MD Ian Mulholland

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Rox Resources Limited (ASX: RXL) is an Australian multi-commodity exploration company with four key projects: the Mt Fisher gold project in Western Australia, the Reward zinc-lead project, Bonya copper project and Marqua phosphate project all located in the Northern Territory.

Market capitalisation: \$7.0 million

In this Open Briefing[®], Ian discusses

- Teena prospect drill core re-sampling
- New mineralisation confirmed
- Outlook for Reward project

Record of interview:

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Rox Resources Limited (ASX: RXL) recently reported that assay results from the re-sampling of historical drilling data from the Teena prospect in the Myrtle/Reward Zinc Project confirm Teena as a significant medium to high grade zone of mineralisation. You've indicated the assays from the re-sampling compare closely to the original assays. What implications does this have for your exploration program at Teena?

MD Ian Mulholland

Just to clarify, we weren't able to completely replicate the sampling of the Teena drill core that had previously been done because of the heavily degraded state of the core. Teck took representative samples down two of the drill holes and compared these analyses with the historical assays. The correlation between the two datasets was very good and confirms our confidence in using the historic assays.

In terms of our forward exploration program at Teena, Teck is currently undertaking some surface geochemical sampling (soils and rocks) and expects this will give a better understanding of the prospect. That will enable drilling to be planned for next year's field season. Even though the drilled mineralisation at Teena is quite deep (600 to 900 m below surface), this is not a problem from a mining perspective. The surface geochemistry will give us indications of whether any shallower mineralisation is present.

We expect that drilling will commence at Teena in the first half of next year.

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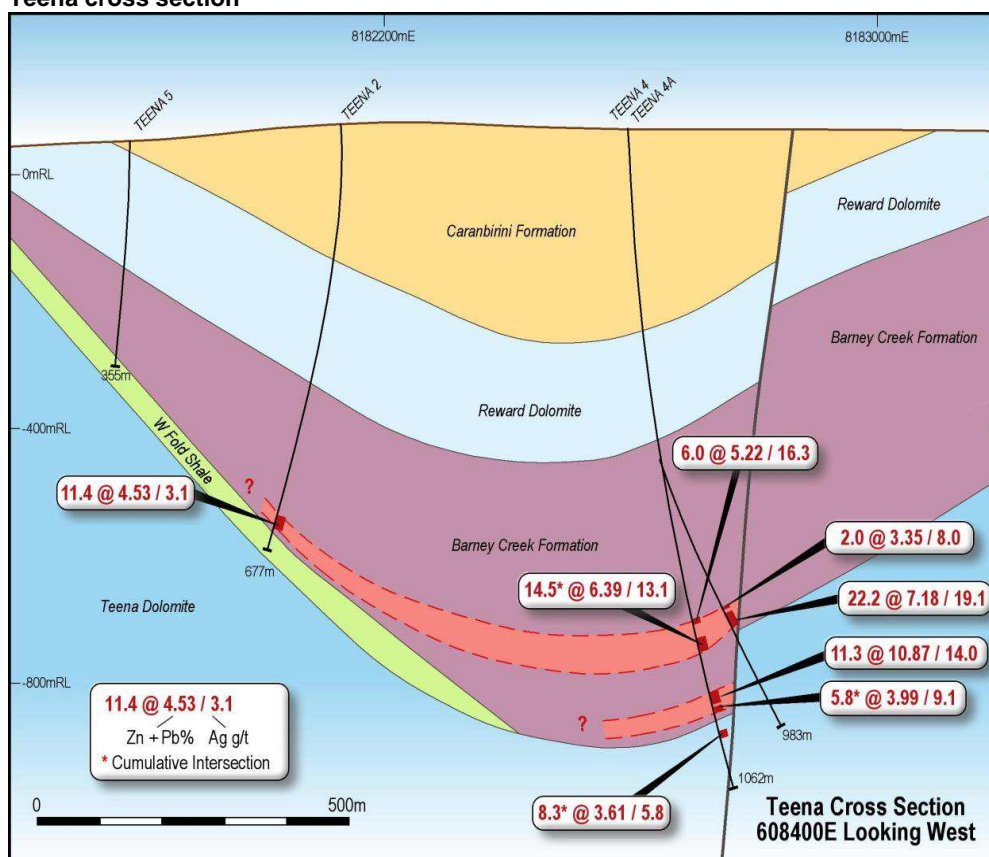
The assay results from the re-sampling confirm the historical results such as 11.3 m at 10.9% Zn + Pb, 14 g/t Ag from Teena 4 and 13.1 m at 6.02% Zn + Pb, 5 g/t Ag from Teena 6. How do these widths and grades compare with assays across the greater Reward project and what impact should these results have on the overall mineral resource?

MD Ian Mulholland

These are the best drilling results we've had so far. In terms of thickness and grade they would fit somewhere between Myrtle and McArthur River. To put these into perspective, our preliminary economic modeling shows that Myrtle is marginally economic at best given its current grades, whereas McArthur River is one of the richest and largest zinc deposits in the world. Teena sits between these in terms of grade, and based on world zinc deposit data would probably be economic based on the grades and thicknesses we have so far. The typical operating grade for zinc mines is between 6% and 15% zinc, and Teena falls within that range.

Once sufficient drilling has been completed at Teena we'd expect a resource at least as large as Myrtle, if not larger, and at a higher grade. It's hard to say what that might be until complete sufficient drilling at Teena. Also, we still haven't closed off the resource at Myrtle, and it will get larger with more drilling, and we could hit some higher grades there too.

Teena cross section



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How do the Teena and Myrtle/Reward projects compare with other global zinc projects you have worked on in the past?

MD Ian Mulholland

The first zinc project I worked on was in North Queensland in the Highway-Reward area. We were exploring for VMS style deposits similar to Thalanga and Liontown, and had some success there. I was responsible for discovering a small (but uneconomic) VMS deposit called Magpie, and I also worked on the Highway-Reward area where a good copper-gold deposit was later found on the tenement adjacent to the zinc deposit we'd been exploring.

I was then involved in the discovery and development of the Nimbus silver-zinc deposit near Kalgoorlie in Western Australia. Unfortunately the company that discovered it was taken

over before we could bring it to fruition, but the shareholders were very happy with the share price premium they received.

My next zinc project was exploration of the Pha Luang lead-zinc district in Laos. I identified the opportunity there and we had some really good success initially. However we were operating in a very hostile environment (both logistic and regulatory) and the company withdrew from the project as a direct result of the GFC.

It was because of the Laos zinc project that Rox got involved in the Myrtle/Reward project, and this has proven to be a very good decision on our part. We now have one of the world's major zinc companies (Teck) funding the project and it looks like we'll be defining a large zinc resource at the Teena prospect next year.

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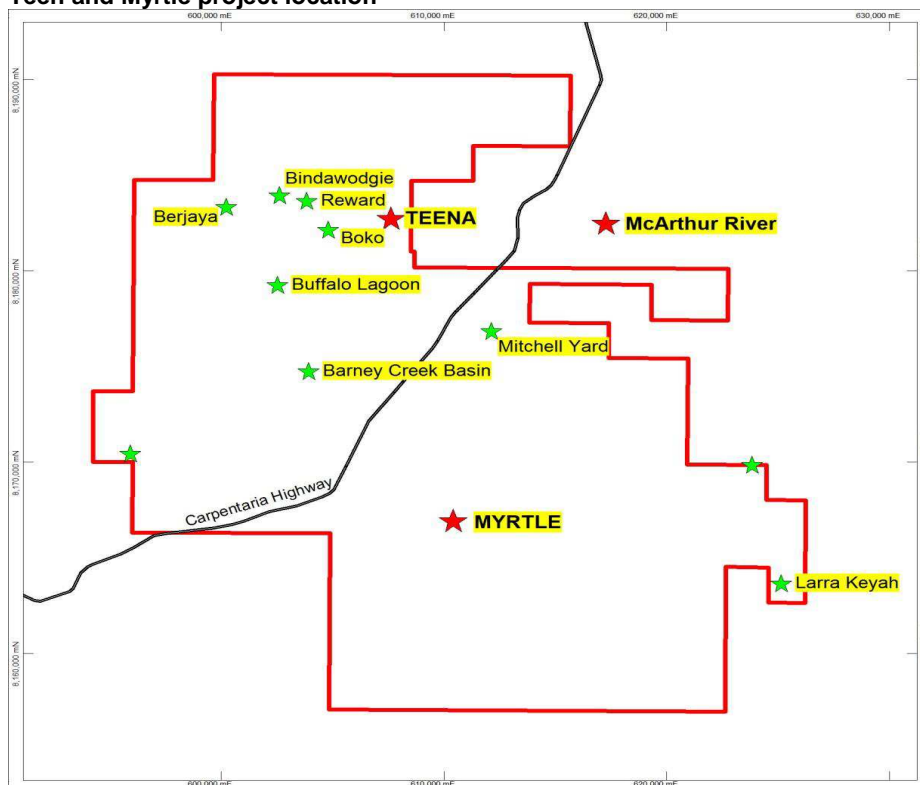
Given the historical drilling undertaken so far, what further drilling will be required in the Teena zone to quantify a JORC compliant resource?

MD Ian Mulholland

Generally for a JORC resource in this type of mineralisation we'd need a drill spacing of 400 x 400 m for an inferred resource, 200 x 200 m for indicated and 100 x 100 m for measured. This is the drill spacing used at McArthur River and Myrtle for classification of resources. These might seem to be quite wide spacings, but the mineralisation is generally quite continuous over these distances.

At Teena so far, we have only two lines of drilling 1.2 km apart, and along those lines the holes are 600 to 800 m apart. So it's very early days. What's so exciting about the Teena prospect is that we have mineralisation that seems to be continuous over 1.2 km east-west and 800 m north-south. That's a very large potential tonnage. Given that area, we'd probably need eight to ten holes to fill it in to a 400 x 400 m pattern. Given the depth of mineralisation, that equates to 5,000 to 10,000 m of drilling which would cost \$2 million to \$4 million based on current drilling prices.

Teena and Myrtle project location



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To what extent will the new data elevate the Myrtle/Reward Zinc Project as a development priority within Teck's global project portfolio?

MD Ian Mulholland

Teck has some other very good zinc projects in its portfolio outside Australia, so the Myrtle/Reward project has to compete for exploration funding. As far as zinc projects in Australia go, it's certainly the best one at present given its grades and thicknesses. That's why Teck got into the joint venture with us in the first place: it could see the potential in the project.

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Rio Tinto (ASX: RIO) has recently divested 20 million Rox shares that were issued in June 2010 as part consideration for the Myrtle/Reward project. These shares were sold on market creating some pressure on the share price. Avoca Resources (now Alacer Gold (TSX: ASR; ASX: AQQ)) has a similar sized holding in Rox. Is Avoca also a seller? Has the Rio sale resulted in any new large shareholder on Rox's register?

MD Ian Mulholland

We don't believe Avoca (Alacer) is a seller, and we've had no contact from it. It wouldn't seem prudent to sell when we have all of these great opportunities ahead of us, such as defining a large zinc resource at Teena next year, exploring a new nickel sulphide target at Mt Fisher, not to mention the ongoing gold exploration there which has already netted us a resource of close to 100,000 oz in just one year's work. And then there's the brand new Bonya copper project that we've just farmed into where we have outcropping visible copper mineralisation grading over 30% copper, 30 g/t silver and 0.5 g/t gold.

Rio had its own reasons for selling, based on a corporate decision to exit its small shareholdings, and this had nothing to do with its view on Rox or our projects. It was unfortunate that the selling put pressure on our share price. We'll move on from here and keep working hard to deliver exploration success to our shareholders.

The upside was that there were investors who were very happy to buy those 20 million shares, which gives us encouragement that some investors at least see the value in what we're doing. No one large shareholder has emerged, rather it was our existing shareholders topping up and a couple of new shareholders coming in with about one to two million share parcels.

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What activities are planned for the coming quarter across Rox's project portfolio and is there sufficient cash to finance this activity into 2013?

MD Ian Mulholland

We've just finished some further rotary air blast (RAB) drilling over two strong versatile time domain electromagnetic (VTEM) anomalies at our Mt Fisher project. These VTEM anomalies lie on the Fisher East ultramafic unit and could possibly indicate nickel sulphide mineralisation. Our initial line of RAB drilling identified a nickel geochemical anomaly, so we've added some extra lines either side, plus drilled three lines over another look-alike VTEM anomaly four km to the north. The results should be out very soon.

We're going through exactly the same process that Sirius Resources went through before it discovered the Nova nickel deposit, where it had nickel anomalies in RAB drilling overlying strong electromagnetic (EM) conductors. We know that the Fisher East ultramafic belt hosts nickel sulphides further north from us, so in geological terms that means it's a prospective nickel belt. Not all ultramafic belts are.

We recently completed some down-hole EM surveying of two drill holes under the old Mt Fisher gold mine pit, where we've been chasing the orebody deeper. Those results should

be out soon also. That will then enable us to prioritise our drilling plans for next year at Mt Fisher.

We'll also be commencing exploration at our Bonya copper project in the Northern Territory and will be undertaking some soil and rock chip sampling to identify targets for drilling next year.

All in all, we have an interesting time coming up. As far as funding goes, at the end of September we had about \$0.8 million. That is enough cash to complete our work this year, but like all junior explorers we're always considering our options for raising more cash.

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Thank you Ian.

For more information about Rox Resources, visit www.roxresources.com.au or call Ian Mulholland on (+61 8) 6380 2988

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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, MAICD, 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.