ROX
RESOURCES

PROSPECTUS

LEAD MANAGER TO THE ISSUE **PATERSONS SECURITIES LIMITED**
ABN 69 008 896 311

For the offer of 25,000,000 shares issued at 20 cents each to raise $5,000,000.

ROX RESOURCES LIMITED
ACN 107 202 602

Corporate Directory

DIRECTORS

Dr Alistair Cowden
Chairman

Mr Ian Mulholland
Managing Director

Mr Michael Blakiston
Non-Executive Director

COMPANY SECRETARY

Mr Brett Dickson

REGISTERED AND PRINCIPAL OFFICE

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West Perth WA 6005

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INDEPENDENT ACCOUNTANT

Stanton Partners Corporate Pty Ltd
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INDEPENDENT CONSULTING GEOLOGIST

Mr Malcolm Castle
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South Perth WA 6951

SOLICITORS TO THE COMPANY

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West Perth WA 6005

SOLICITORS REPORTING ON THE TENEMENTS

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CORPORATE ADVISER

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LEAD MANAGER TO THE ISSUE

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Shares offered by this Prospectus should be considered speculative.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or [illegible]

Rox is firmly focussed on rapid wealth generation for shareholders, it has . . .

- ## SECURED A UNIQUE OPPORTUNITY

  Since Menzies discovery over 100 years ago, Rox is the first company to secure 100% owned contiguous tenure over this high grade, million ounce goldfield, lying in the heart of the West Australian goldfields.

- ## A FOCUS ON EARLY CASHFLOW

  The Company's gold Resources total over 150,000 ounces and provide opportunity for early high grade production.

- ## POTENTIAL TO BECOME A MID-TIER MINER

  Menzies produced over 650,000 ounces of gold at a grade of 22 g/t from underground, yet only 6 holes have been drilled below 300m in modern times. The potential to discover and develop high-grade shoots in the order of 200-400,000 ounces is high.

- ## A WEALTH OF DRILL TARGETS

  Our tenure contains over 200 historic mine workings yet, due to the complex history of ownership, there remain many compelling untested targets. Some 15 high quality targets are ready to be drilled. For example, drill intersections of 6m at 7.6 g/t and 7m at 9.7 g/t gold have never been followed up.

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IMPORTANT NOTES AND STATEMENTS

This Prospectus is dated 23 February 2004 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC takes no responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date which is 13 months after the date of this Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in the Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. The Company is at the early stages of its development and therefore there are risks. The Shares offered by the Prospectus should be considered speculative. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares, or otherwise permit a public offering of the Shares, in any jurisdiction outside Australia.

This Prospectus will be issued as an electronic Prospectus and may be accessed on the Internet at www.roxresources.com.au or on www.patersonssecurities.com.au. The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. During the Offer period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at admin@roxresources.com.au or by contacting the Lead Manager by email at patersons@patersonssecurities.com.au.

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on Applications received in the exposure period and all Applications received during the exposure period will be treated as if they were simultaneously received on the Opening Date.

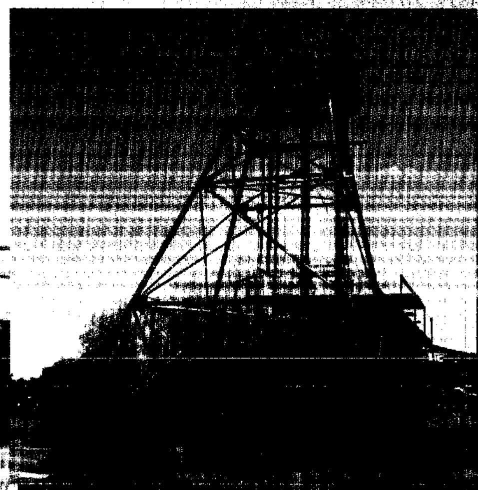
Certain terms and abbreviations used in this Prospectus have defined meanings which are defined in Section 10 of this Prospectus.

Figures disclosed in this Prospectus are exclusive of goods and services tax, unless otherwise disclosed.

Unless otherwise stated, items shown in this Prospectus are not assets of the Company.

Menzies Goldfield

- GOLD DISCOVERED 1894
- 785,000 OUNCES PRODUCED
- 22 g/t GRADE



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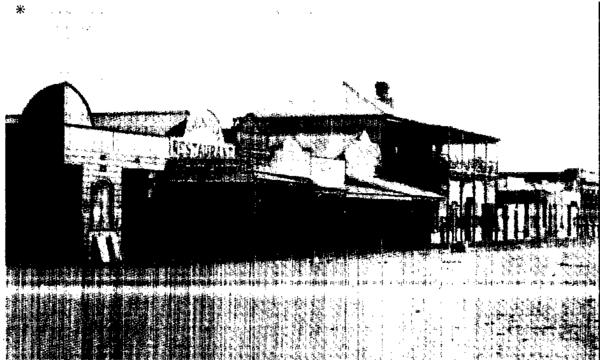

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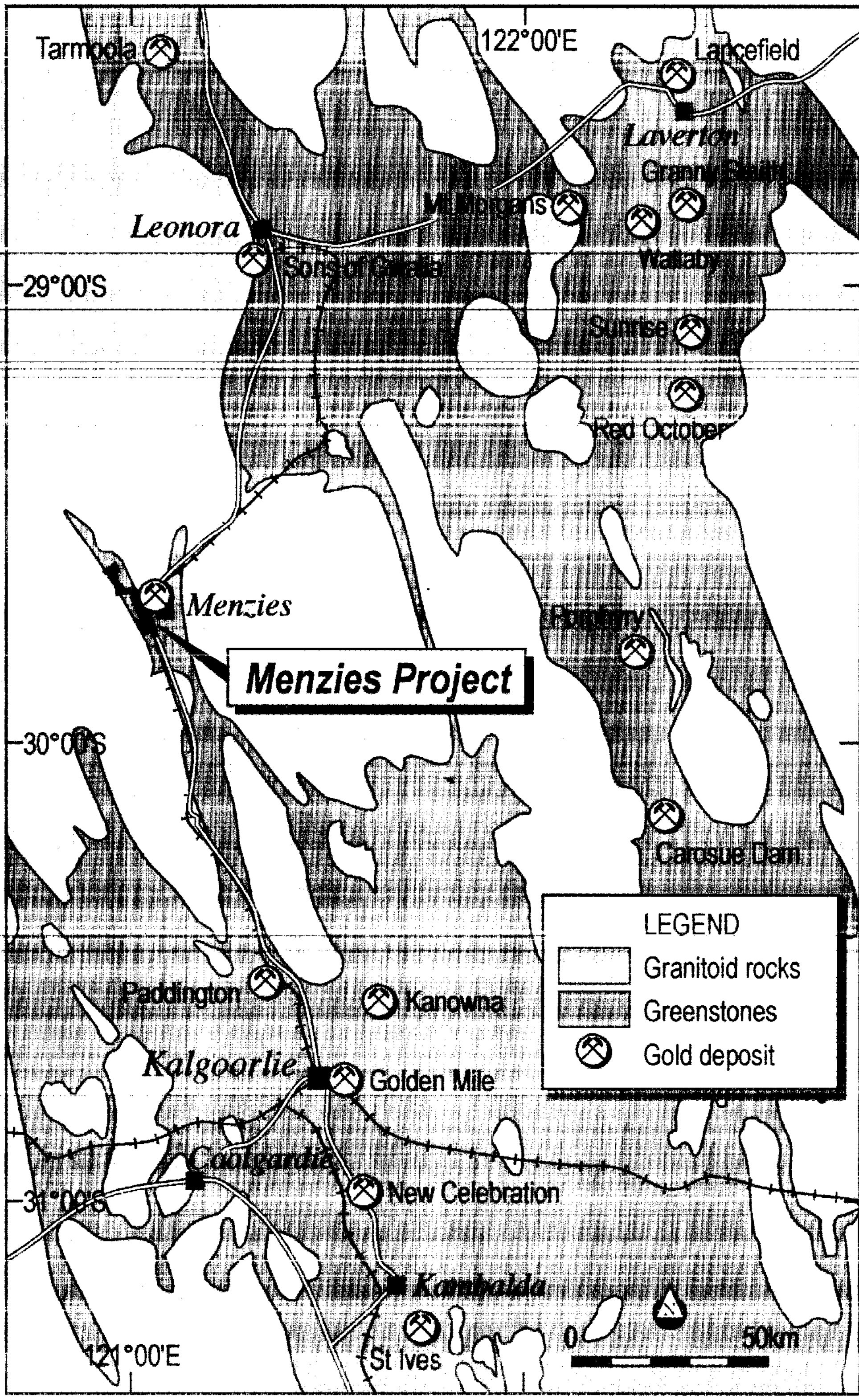
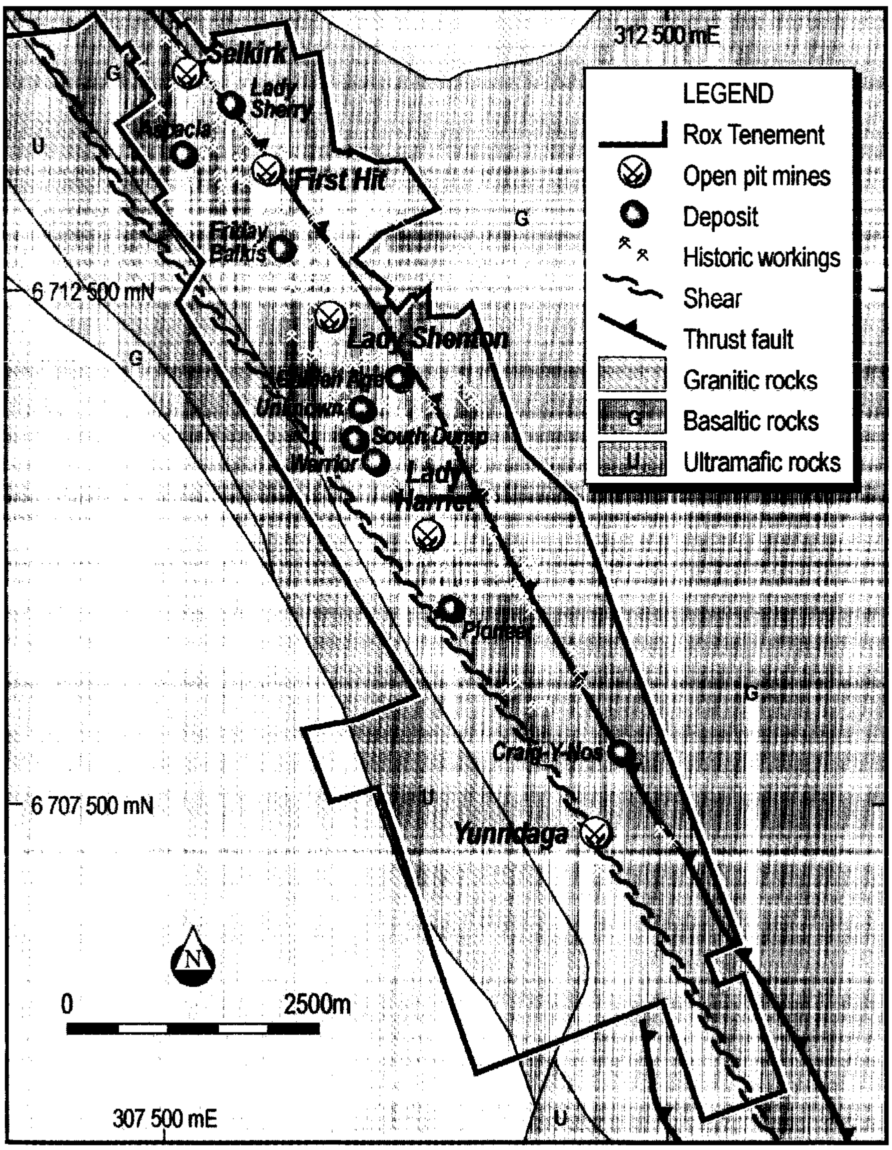
Menzies Project Location Map



Investment Summary 1.0



Menzies Goldfield tenements and geology

1.1 BACKGROUND

This investment summary is not intended to provide full information on the Shares offered for subscription, or invitations to subscribe. Applicants should read this document in its entirety and consult with their professional advisers before deciding to apply for Shares.

Rox is a gold exploration and development company with a strategic ground holding over the historic million ounce Menzies gold field in the Eastern Goldfields of Western Australia.

The project is described below and more fully described in the Independent Geologist's Report on the Menzies Project in Section 5 of this Prospectus.

The Company was incorporated on 27 November 2003 for the purpose of acquiring the Menzies project from Deep Yellow Limited (Deep Yellow). Rox will acquire the Menzies project from Deep Yellow for $500,000 cash and $500,000 payable through the issue of 2,500,000 Rox shares, for a total consideration of $1 million.

The board of the Company has been associated with the Sunrise Dam, Nimbus, Kanowna Belle and Dongara Mineral Sands discoveries and successful companies such as Archaean Gold NL, Magnetic Minerals Limited and Ranger Minerals Limited. This strong team will guide a focused exploration and development effort and its experience will be utilised to secure additional opportunities for growth.

The Company is fortunate in that it can commence its life as a listed company with three significant advantages:

Investment Summary

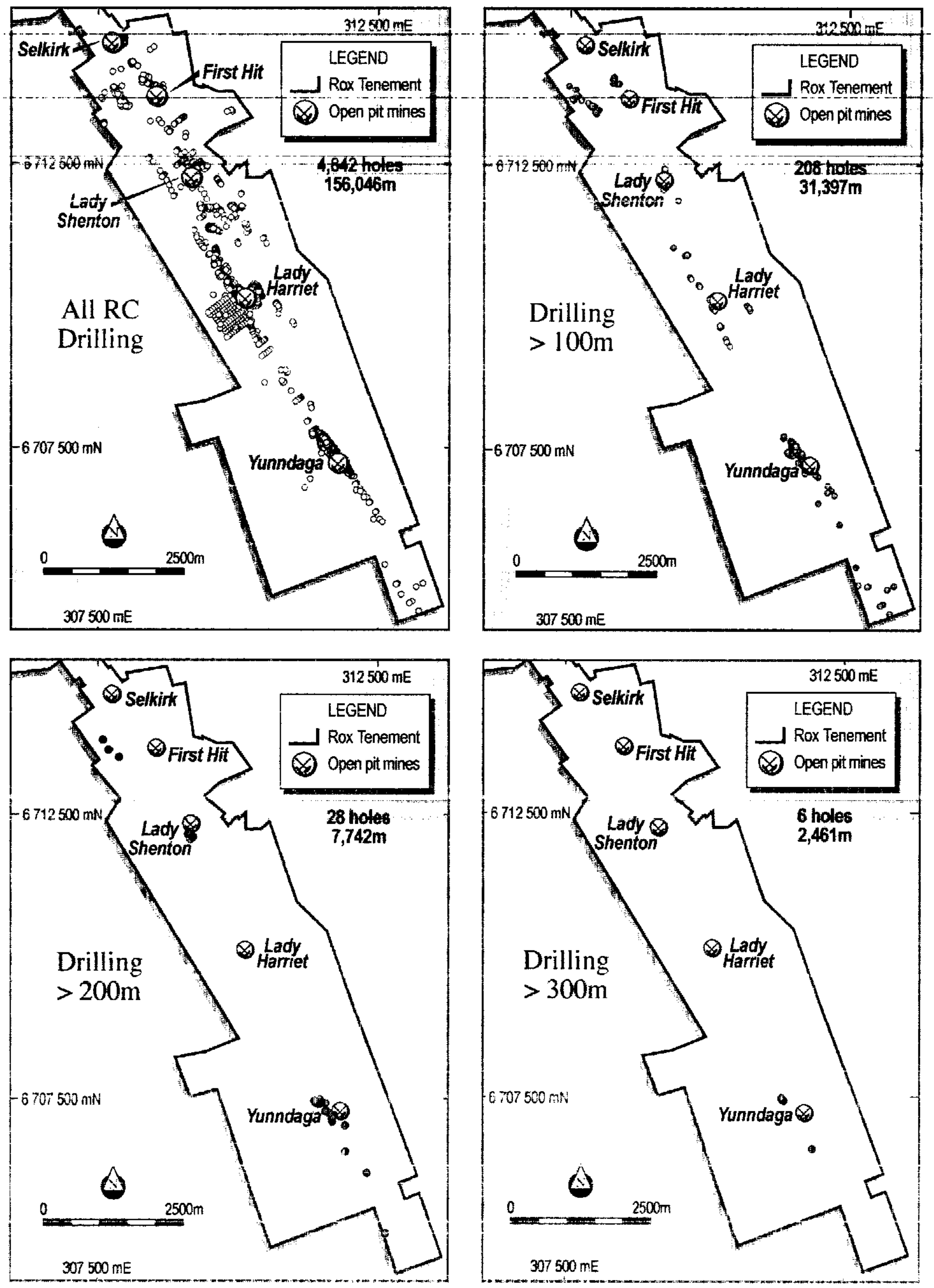
1. With its substantial gold resources, which currently stand at approximately 150,000 ounces (see table in Section 1.7) there is the genuine opportunity for early production and cash flow;

2. It has a wealth of exciting drill targets before it enabling it to meet its aim of completing a significant amount of drilling in the first year after listing; and

3. There is considerable scope to quickly expand the Company's gold resources through the many drill targets available.

Particularly exciting is the potential that remains below open pits which are generally only 60m to 100m deep. The historically mined Menzies ore bodies were typically high grade shoots with grades in excess of 15 g/t, yet modern exploration has focused on near surface open cut potential. This near surface focus is clearly illustrated in the depths of holes drilled; of the 4,842 RC holes drilled on the tenements only 208 holes have been drilled to depths greater than 100 metres and surprisingly only 6 holes extend beyond 300 metres depth, yet 430,000 ounces of gold were produced from depths in excess of 100 metres. The depth extensions to existing shoots will be aggressively explored in the first six to nine months after listing on ASX.

Drilling has just scratched the surface



1.2 MENZIES PROJECT

Gold was discovered 130 kilometres north of Kalgoorlie at what was to become Menzies in 1894 by L R Menzie and J E McDonald who were prospecting for a Perth syndicate headed by Sir George Shenton. Menzie and McDonald found an alluvial gold deposit with many rich nuggets and quartz specimens studded with gold.
A rush of prospectors and miners to the area resulted. The town subsequently established was named Menzies and the first mine there was called the Lady Shenton, after Sir George's wife.

The town soon numbered 1,000 people with 13 hotels, a post office, fire brigade, hospital and many colourful characters. A 20 head battery was installed at Lady Shenton in 1896 followed by another at the First Hit/Queensland Menzies mine in 1900. The railway line to Menzies was completed in 1898.

The Menzies goldfield is now one of Western Australia's major historic goldfields, with production in its first few decades returning approximately 653,000 ounces of gold at 22 g/t gold from underground mines. In more recent times open pit mining treated some 1.68 million tonnes at 2.64 g/t gold for approximately 143,000 ounces of gold. In addition there remains in excess of 150,000 ounces of gold in resources. The current resource estimate is:

1,734,059 tonnes at 2.75 g/t gold (153,563 ounces).

Historically three large deposits have been identified together with a number of modest sized deposits and over 200 historic mineralised workings. Some of the principal deposits are listed below:

Deposit	Gold Endowment* (ounces)
Yunndaga	400,000
Lady Shenton	269,000
First Hit	207,000
Lady Harriet	28,000
Aspacia	13,000
Lady Irene	18,000
Selkirk	15,000

* *Production plus remaining resources.*

Rox believes that, not only is there potential to further develop a number of these deposits, but there is also potential for repetitions of the mined shoots along strike and for the discovery of new deposits.

Gold mineralisation at Menzies is hosted within three sub-parallel shear zones near the western margin of a mafic-ultramafic dominated greenstone sequence. The structure is part of the major regional structure which hosts the world class Paddington, Golden Mile, New Celebration and St Ives (Kambalda) gold deposits to the south. The shear zones can be traced for over 15 kilometres within Rox's tenements with historical workings and gold anomalism occurring discontinuously over almost the entire strike length.

Gold generally occurs in narrow, steeply dipping zones of quartz veining. Individual shoots may extend for up to 150 metres along strike, are 1-3 metres thick and generally plunge at a moderate angle (~40°) to the south (for up to 600 metres below surface at Yunndaga). Shoots commonly pinch and swell down plunge, indicating scope for several of the historically mined bodies to redevelop at depth.

This 'shoot' style of deposit where mineralisation is continuous in the vertical dimension for great distances is typical of many West Australian gold deposits; examples being Harbour Lights, Sons of Gwalia, Mt Martin and Kanowna Belle which extend vertically for more than a kilometre.

The project consists of two main blocks of tenements covering a total area of 42.7km^2. The southern group of tenements was previously the subject of a joint venture between Deep Yellow and Paddington Gold Pty Ltd (Paddington). Paddington retain some rights over this area. For more detail on these rights see the Material Contracts in Section 9.

The tenements have some rehabilitation liabilities and attract a Mines Department bond of $324,500 (of which Rox will post about $221,000).

A major advantage of the Menzies Project is that all existing resources are located on granted mining leases which, together with the excellent infrastructure in the Goldfields, gives Rox the ability to rapidly develop any resource.

1.3 HIGH GRADE UNDERGROUND MINES

Historically, the Menzies district produced about 650,000 ounces of gold at an average grade in excess of 22 g/t gold from underground mines. Modern exploration generally has been focused within, and along strike from the known deposits with a view to defining open-pittable resources leaving considerable scope to define additional resources at depth.

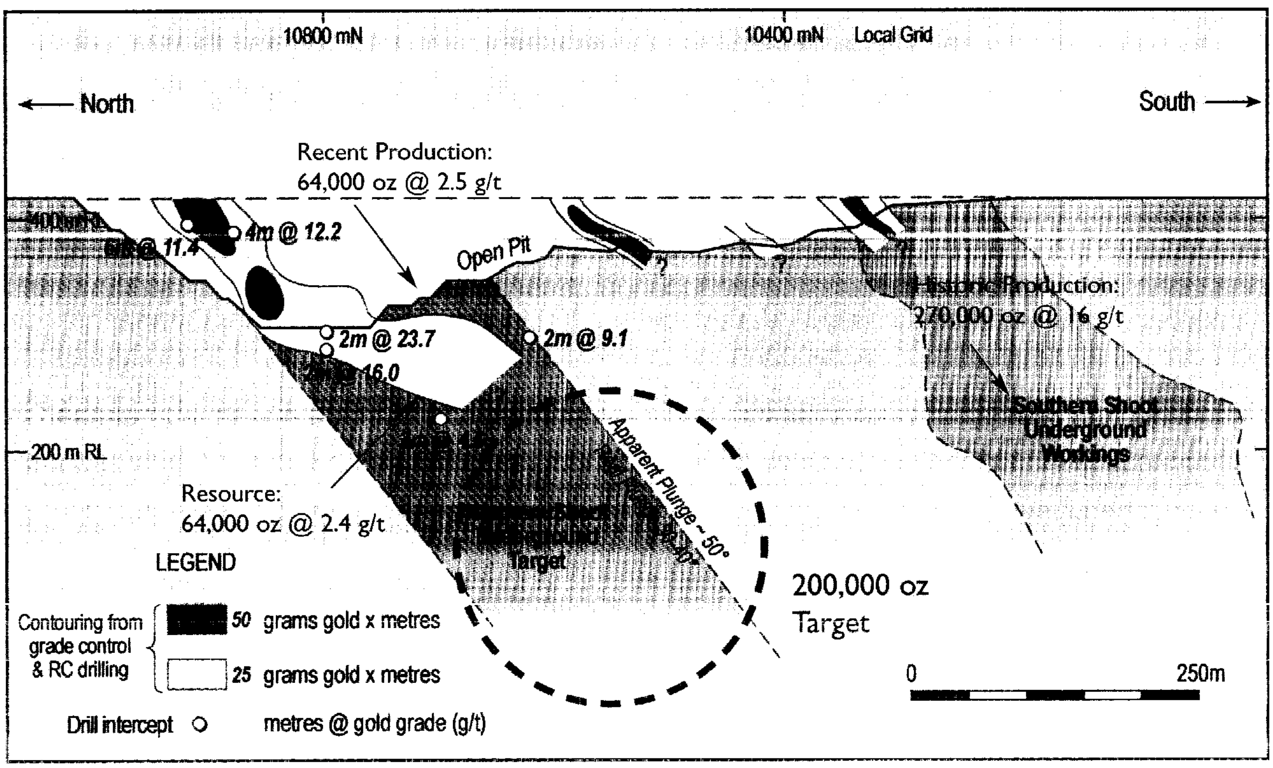
The scope for a resumption of underground mining exploiting shoots similar to those that provided the bulk of past production is high, and will be investigated vigorously.

The open pit mining of the 1990's was mainly restricted to the oxidised portion of the ore bodies which extend mostly to only within 60 metres of surface. The deepest pit at Yunndaga, was mined to a maximum depth of 110 metres. High grade shoots were identified in this mining and their depth extensions are largely untested. For example, at Yunndaga, mineralisation was mined by open pit for 1.2 kilometres along strike and historical underground development on the southern shoot extended to 600 metres below surface, from which some 526,000 tonnes at 16 g/t gold (270,000 ounces of gold) was mined. The Yunndaga deposit has a Northern Shoot currently exposed in the open pit which was not discovered by historic miners and has drill intercepts beneath the pit including:

2m at 23.7 g/t gold
2m at 16.0 g/t gold
2m at 9.1 g/t gold

The near surface expression of this Northern Shoot is stronger than that of the historically mined Southern Shoot.

In addition to Yunndaga, substantial historic underground mining also took place at First Hit (300 metres) and Lady Shenton (210 metres). Despite the evidence of high grade shoot potential no other deposit in the district has been developed below 60 metres depth, highlighting the considerable potential for more resources to be identified.



Yunndaga Deposit Long Section

1.4 SHALLOW DRILL TARGETS

The Company believes the area has not been systematically explored, with past exploration generating a number of compelling targets which remain to be fully tested. Those targeted for priority investigation lie outside the current open pits and are associated with many old workings.

Rox has 10 drill-ready targets identified by previous RAB and/or RC drilling which returned high grade intercepts but were never fully explored. For example:

In addition to the RAB/RC targets, there are also 10 soil anomalies defined by greater than 100ppb gold contour with peak values up to 200ppb gold worthy of drill investigation. Many of these anomalies are situated on known major gold controlling structures.

Target	Thickness	Gold g/t	Depth from
R1	2m	16.0	26m
R2	5m	6.4	0m
R4	3m	6.8	15m
R5	1m	11.7	21m
R6	2m	6.2	48m
R7	3m	5.1	18m
R8	6m	8.5	12m
R9	2m	7.7	24m
R11	6m	7.6	52m
R11	7m	9.7	48m

Investment Summary cont.

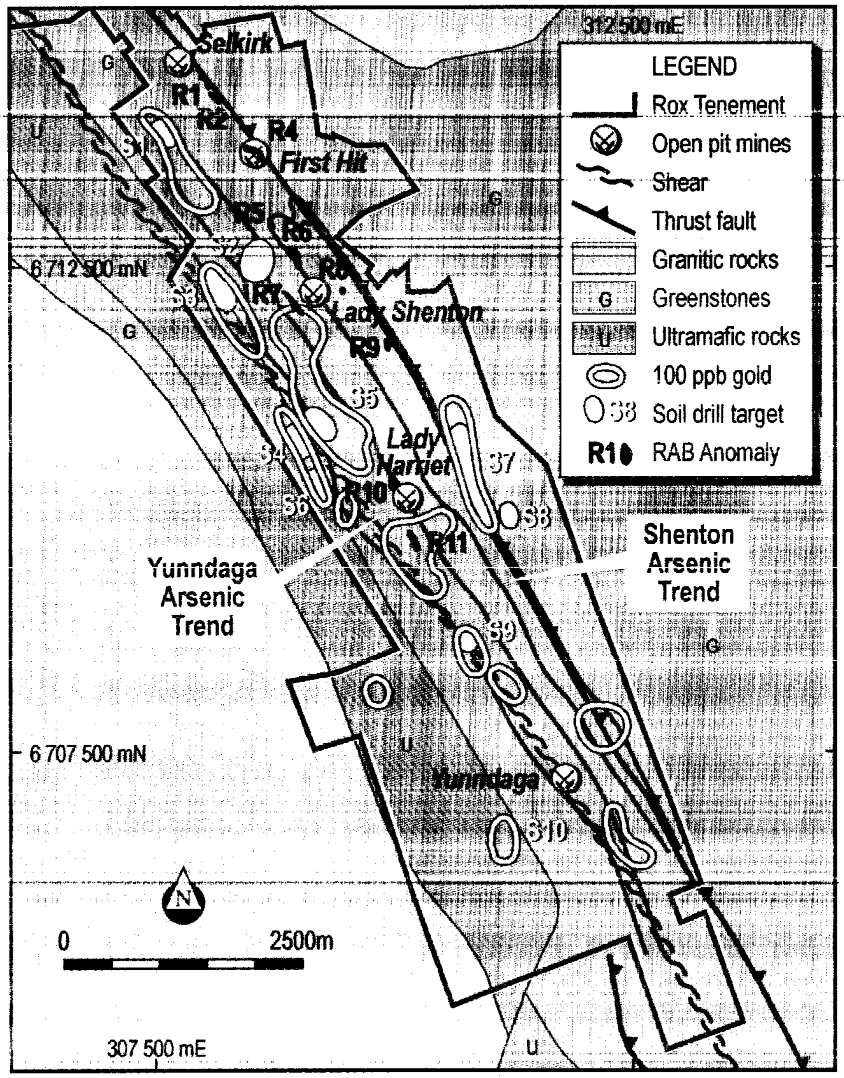
1.5 EARLY PRODUCTION POTENTIAL

The Company has a number of resources which are being considered for early gold production due to their high grade.

These include the Selkirk deposit which contains 18,000 tonnes grading 8.9 g/t gold and the First Hit deposit which has 20,000 tonnes grading 10.4 g/t gold.

The Company will evaluate these resources immediately upon listing on ASX through infill and extension drilling and conduct pre-feasibility studies on the potential for mining and production via toll treatment. There are a number of treatment facilities in the Goldfields which conduct toll milling campaigns on behalf of third parties, including the Tarmoola mill some 130 kilometres north of Menzies and the Paddington mill 100 kilometres to the south of Menzies.

Resources suitable for early gold production may also be generated from pursuit of the shallow drill targets described above.



RAB/RC Targets and Soil Anomalies

1.0

1.6 STRATEGY & WORK PROGRAM

The Company's objective is to create wealth for its shareholders principally through exploration and development of its Menzies Project. However, the Company will also monitor opportunities for the discovery, acquisition, development or sale of gold and other mineral deposits primarily in Australia.

Rox is fortunate in the wealth and variety of drill targets available to it and our immediate strategies are to:

- achieve gold production in the short term by mining and toll treating of high grade resources at Selkirk and First Hit;
- drill test targets on extensions of known gold deposits, old workings and the soil and RAB drilling anomalies, over the first six to nine months after listing on ASX with the first drilling program expected to commence within two weeks of listing on ASX;
- define 500,000 ounces of resources through targeting 10 possible plunging high grade shoots beneath open pits and old workings. For example, we believe that realistic resource targets are:
  - Yundagga (200,000 ounces)
  - Lady Shenton (150,000 ounces)
  - First Hit (100,000 ounces)
- systematically explore the entire gold field; and
- consider transactions/acquisitions which share synergy with Menzies.

Junior explorers need a clear focus, and Rox is solely focusing on the Menzies Goldfield as it believes market and commercial rewards in the gold industry are greatest for companies active in the Eastern Goldfields area; there is no better place to bring a mine into production. The Company will build on existing data, the well understood exploration and discovery models for gold deposits in the area, and the discovery experience of management.

1.7 RESOURCES & PRODUCTION

A tabulation of past underground production, recent open pit production, and remaining resources, is shown below. The resources have been determined largely from RC drilling below and along strike from the open pits as described in Section 5.

The field contains three large deposits in excess of 200,000 ounces and a number of smaller deposits. Fields of this nature often contain clusters of deposits and there is no reason not to expect further similar sized deposits given a systematic exploration effort.

Mine	**Past Underground Production**			**Recent Open Pit Production**			**Remaining Resources[3]**			**Total Gold**
	tonnes	gold (g/t)	gold (ounces)	tonnes	gold (g/t)	gold (ounces)	tonnes	gold (g/t)	gold (ounces)	ounces
Yunndaga	526,000	16.0	270,580	800,000	2.50	64,301	830,000	2.42	64,527	399,408
Lady Shenton[1]	185,000	32.0	190,332	314,000	2.62	26,164	580,800	2.82	52,728	269,225
First Hit[2]	165,000	32.0	169,756	325,000	2.40	25,078	102,300	3.75	12,349	207,183
Lady Harriet	12,000	22.0	8,488	160,000	2.80	14,404	89,500	1.79	5,149	28,040
Selkirk	5,000	24.0	3,858	42,000	4.60	6,212	18,000	8.95	5,201	15,270
Aspacia	9,000	35.7	10,731	-	-	-	19,000	3.27	2,000	12,731
Lady Irene	-	-	-	42,721	4.77	6,552	94,400	3.82	11,610	18,161
Total	**902,000**	**22.5**	**653,745**	**1,682,721**	**2.64**	**142,710**	**1,734,059**	**2.75**	**153,563**	**950,018[4]**

Notes:

1. Lady Shenton resource includes Golden Age, Unknown, South Dump and Warrior.
2. First Hit resource includes Queensland Menzies and Lady Sherry.
3. 0.5 g/t gold cut-off.
4. Other producers in the Menzies district outside tenements owned by Rox include Granny Venn (60,656 ounces of gold), Blackjack (6,705 ounces of gold) and others, which bring the total gold produced to more than 1,000,000 ounces of gold.

Corporate Information

2.1 BUDGET & USE OF FUNDS

The funds raised from the Offer are primarily for the purpose of mineral exploration. Proposed expenditure, assuming the target amount of ~~$5,000,000 is raised, is summarised~~ as follows:

The two-year budget totals $2.9 million and is the best estimate available at this time. In addition the Company will be required to lodge bonds with the Department of Industry and Resources totalling $221,000. Some budget needs of the Company are well established, such as expenses of the Offer and the payment to Deep Yellow for the tenements. However, it must be recognised that all exploration budgets are subject to change as the proposed programs provide either encouragement or disappointment and new opportunities are identified elsewhere.

On completion of the Offer, the Directors believe that the Company will have sufficient working capital to carry out its stated objectives. Should only the minimum subscription of $3,200,000 be received the exploration programme and corporate expenses will remain unchanged and working capital shall be reduced.

Exploration And Corporate Budget

	Year 1 $	Year 2 $	Total $
Exploration			
Scoping Studies	30,000	–	30,000
Drilling & follow-up of RAB & soil anomalies	310,000	320,000	630,000
Infill and high grade underground target drilling	290,000	410,000	700,000
Tenement Rents & Rates	70,000	70,000	140,000
Sub-Total	**700,000**	**800,000**	**1,500,000**
Corporate			
Administration & Corporate	300,000	300,000	600,000
Expenses of the Issue	300,000	–	300,000
Payment to Deep Yellow	500,000	–	500,000
Sub-Total	**1,100,000**	**300,000**	**1,400,000**
Working Capital			**2,100,000**
Total			**5,000,000**

2.2 CAPITAL STRUCTURE

The pro forma capital structure of the Company following the successful completion of the Offer is as follows:

SHARES

Number	Description	$
	Shares Issued Prior to Listing	
7,500,000	Ordinary Shares on issue	60,150
	Shares to be Issued Under This Prospectus	
25,000,000	Ordinary Shares issued at 20 cents each pursuant to the Public Offer	5,000,000
	Shares to be Issued to Deep Yellow	
2,500,000	Ordinary Shares issued at 20 cents to Deep Yellow after listing on ASX	500,000
35,000,000	**Total Issued Capital**	**$5,560,150**

OPTIONS

Number	Description	$ Contributions on Exercise
	Options to be Issued Prior to Listing	
5,250,000	Director Options	1,050,000

Directors have resolved to issue 1,200,000 Options exercisable at $0.20 and with a term of three years to consultants of the Company after it lists on ASX.

2.3 EMPLOYEE OPTION PLAN

In accordance with the high priority placed by Rox on providing incentive to senior executives and contractors and rewarding performance which increases the value of Rox for its shareholders, the Company has established an Employee Share Option Plan. A summary of the Employee Share Option Plan is set out in Section 9.4.

At the date of this Prospectus no options have been granted pursuant to the Employee Share Option Plan.

Directors' and Management

MR IAN MULHOLLAND

BSc (Hons), MSc, F.Aus.I.M.M., F.A.I.G., F.S.E.G.
Managing Director

Mr Mulholland is a geologist with over 20 years broad experience in a number of commodity groups including gold, silver, copper, lead, zinc, uranium, nickel and kaolin in the exploration and mining industry at senior levels. He has managed activities from grass roots exploration to advanced resource definition, feasibility studies and mining operations for major companies such as WMC and Esso, medium sized companies, Otter Gold and Aurora Gold and junior companies, Archaean Gold and Summit Resources. Ian's strength is in bringing resources to economic fruition and his experience is particularly appropriate for his role with Rox.

Ian was Development Manager for Archaean Gold, managing the Nimbus silver-zinc project pre-feasibility study prior to Archaean's take-over. He was then Exploration Manager for Anaconda Nickel Limited for 4 years, managing their extensive tenement and exploration portfolio, with particular emphasis on resource and project management from exploration through development to the production stage adding some 1.3 billion tonnes to the resource available to Anaconda. Prior to joining Rox he was Technical Director for Conquest Mining Limited where he was responsible for re-focussing the activities of the company on their diamond and gold projects.

Mr Mulholland has a B.Sc. (Hons). Geology from the University of Sydney and a M.Sc. in Geology from the James Cook University of North Queensland. He is a Fellow of the AusIMM, a Fellow of the AIG, and a Fellow of the Society of Economic Geologists.

DR ALISTAIR COWDEN

BSc. (Hons), M.Aus.I.M.M., M.A.I.G.
Chairman

Dr Cowden has over 22 years experience as a geologist and mining company executive in Australia, Africa, Europe and New Zealand. This experience ranges through a spectrum of activities; from capital and debt raisings, corporate restructuring, ASX floats, exploration company management, project generation, grass roots exploration, project management, feasibility studies through to mine geology and mineral deposit research.

Alistair was instrumental in the listing of Archaean Gold, Magnetic Minerals and the restructure of Deep Yellow Limited. These companies delivered substantial returns to shareholders.

He has been involved with major projects and discoveries such as Nimbus Silver-Zinc, Sunrise Dam Mine, Kanowna Belle Gold Mine, Dongara Mineral Sands Project, Syerston nickel-cobalt laterite deposit, Hartley Platinum Mine, St Ives Gold Mine and Kambalda Nickel Mines.

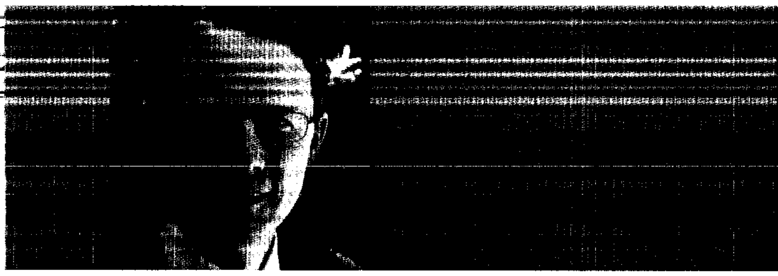
3.0

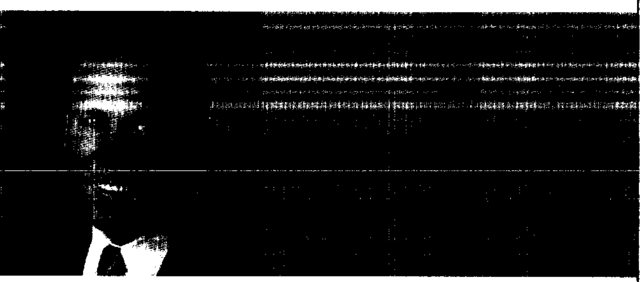
MR MICHAEL BLAKISTON

B.Juris. LLB
Director

MR BRETT DICKSON

BBus, CPA
Company Secretary





Mr Blakiston is a practising solicitor with extensive legal experience in the resources sector. Mr Blakiston holds the degrees of Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia and is a partner of Perth-based corporate and resource law firm, Blakiston & Crabb. Mr Blakiston has been practising law for over 20 years.

Mr Blakiston is a director of several public companies including Australian Development Capital Limited, Colltech Australia Ltd, Platinum Australia Ltd, Rosso Resources Ltd, Tony Barlow Australia Ltd and Vulcan Resources Ltd and is the chairman of investment bank Chatsworth Stirling Pty Ltd.

Mr Blakiston has extensive commercial experience in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. In addition, Mr Blakiston has experience in initial public offerings, takeovers and mergers, corporate and project fundraisings, construction, offtake and sales contracts.

Mr Dickson has over 20 years experience in the financial management of companies, principally companies in early stage development of its resource or product, and offers broad financial management skills. He has been Chief Financial Officer for a number of successful resource companies listed on the ASX.

He has had close involvement with the financing and development of a number of greenfield resources projects including the Mt Horner and Blina oilfields, the Beharra Springs gas field, Nimbus silver-zinc deposit and the Dongara Mineral Sands deposit.

Mr Dickson is a Certified Practising Accountant with a Bachelors degree in Economics and Finance from Curtin University and has worked together with Dr Cowden for the last nine years.

Directors and Management

3.2 CORPORATE GOVERNANCE STATEMENT

The Board of Directors

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

As the Company's activities change in size, nature or scope, the size and composition of the Board will be reviewed periodically and the optimum number of directors required to adequately supervise the Company's operations will be determined within the limitations imposed by the Company's Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the Company's Constitution the tenure of directors (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

Independent Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognize that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

The Board is reviewing current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines 2003 with a view to making amendments where applicable after considering the Company's size and the resources it has available. The Company will then be implementing a formal corporate governance committee and will be making appropriate policy decisions to ensure full disclosure of compliance or otherwise in accordance with the Listing Rules and the ASX Principles of Good Corporate Governance and Best Practice Guidelines 2003.

Details of the Offer 4.0

By this Prospectus, the Company offers 25,000,000 Shares at an issue price of 20 cents each to raise $5,000,000 on the following basis.

4.1 PURPOSE OF THE OFFER AND UTILISATION OF FUNDS

The purpose of this Offer is to raise funds to:

- acquire the Menzies project from Deep Yellow;
- explore and develop Rox's mineral interests as described in this Prospectus;
- provide funds for further acquisitions and for development of such new projects in accordance with Rox's corporate strategy and available funds; and
- meet the administration costs of Rox and the expenses of this Offer.

The Offer is intended to facilitate an application by the Company for admission of the Company to the Official List of the ASX.

Pursuant to the Offer the Company will raise $5,000,000. In the two years after listing on the ASX it is intended to apply these funds as follows:

Costs of the Issue	300,000
Purchase of mineral interests from Deep Yellow	500,000
Exploration Programs	1,500,000
Administration Costs	600,000
Working Capital	2,100,000
Total	**$5,000,000**

Working capital at the end of year one, after allowing for all expenses, is expected to be $3.2 million (assuming the issue is fully subscribed).

4.2 DESCRIPTION OF THE OFFER

Priority Offer to Deep Yellow Shareholders

The Company is offering Deep Yellow shareholders the opportunity to become shareholders of Rox and have set aside as a Priority Offer, a pool of up to 5,000,000 Shares of the Offer for Deep Yellow shareholders.

Deep Yellow shareholders who wish to subscribe for shares pursuant to the Priority Offer must make an application on the personalised blue Priority Offer Application Form enclosed with this Prospectus.

The Directors of the Company who hold shares in Deep Yellow have indicated their intention to participate in the Priority Offer.

Further details of the Priority Offer are set out in Section 4.4(a) of this Prospectus.

Public Offer

The Public Offer is open to public investors including Deep Yellow shareholders. A total of 20,000,000 Shares plus any Shares not subscribed under the Priority Offer will be available under the Public Offer.

Applications must be made on the Public Offer Application Form enclosed with this Prospectus.

Further details of the Public Offer are set out in Section 4.4(b) of this Prospectus.

Details of the Offer

4.3 INDICATIVE DATES

Lodgement Date:
23 February 2004

Closing Date of the Priority Offer:
26 March 2004

Closing Date of the Public Offer:
2 April 2004

Despatch of Holding Statements:
13 April 2004

Anticipated Listing Date:
20 April 2004

These dates are indicative only and may vary. The Company, in conjunction with the Lead Manager to the Issue, reserves the right to vary the opening and closing dates of the Offer without prior notice. Applicants are encouraged to apply as soon as possible after the Offer opens as the Offer may close earlier than the date specified above. The Company also reserves the right not to continue with the Offer at any time before the allotment of Shares to applicants.

4.4 APPLICATIONS FOR SHARES

(a) Priority Offer – Deep Yellow Shareholders

If you are a Deep Yellow shareholder (i.e. you are registered as a shareholder of Deep Yellow as at 27 February 2004 and wish to participate in the Priority Offer, you should complete your personalised blue Priority Offer Application Form enclosed with this Prospectus.

The Company will endeavour to offer all Deep Yellow shareholders this priority. The priority allocation to Deep Yellow shareholders will only operate for applications made on or before 5.00pm WST 26 March 2004, subject always to the right of the Company to close the Offer early.

Applicants must apply for a minimum parcel of 10,000 Shares representing a minimum investment of $2,000. Applicants requiring additional Shares must apply for shares in multiples of 500 shares (equivalent to $100) thereafter.

Applications for less than the minimum application of 10,000 Shares (equivalent to $2,000) will not be accepted.

Applications for the Priority Offer will be considered on a 'first come, first served basis'. No preference will be conferred on applications received in the exposure period and all applications received during the exposure period will be treated as if they were simultaneously received on the date on which applications open. However, the Company retains absolute discretion when deciding whether or not to accept any particular application in part or in full and will not be liable to any Deep Yellow shareholder that is not allocated shares.

Lodgement of Priority Application Forms

All completed Priority Application Forms must be lodged at the Company's share registry, or the office of the Company, on or before the closing date of the Priority Offer:

By post to:
Rox Resources Limited
C/- Computershare Investor Services Pty Ltd
PO Box D182
Perth WA 6840

Or delivered to:
Rox Resources Limited
C/- Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
Perth WA 6000

No brokerage or stamp duty is payable by applicants in respect of their applications for Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment.

All applications must be accompanied by payment in full in Australian currency of $0.20 for each Share applied for. Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to **"Rox Resources Limited – Share Account"** and crossed "Not Negotiable".

(b) Public Offer

If you wish to participate in the Public Offer, you should complete the Public Offer Application Form enclosed with this Prospectus.

Applicants must apply for a minimum parcel of 10,000 Shares representing a minimum investment of $2,000. Applicants requiring additional Shares must apply for Shares in multiples of 500 Shares (equivalent to $100) thereafter.

Applications for less than the minimum application of 10,000 shares (equivalent to $2,000) will not be accepted.

Lodgement of Public Offer Application Forms

All completed Public Offer Application Forms must be lodged at the Company's share registry or the office of the Company, on or before the closing date of the Public Offer:

By post to:
Patersons Securities Limited
GPO Box W2024
Perth WA 6846

Or delivered to:
Patersons Securities Limited
Level 23, Exchange Plaza
2 The Esplanade
Perth WA 6000

No brokerage or stamp duty is payable by applicants in respect of their applications for Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment.

All applications must be accompanied by payment in full in Australian currency of $0.20 for each Share applied for. Payment must be by way of cheque or bank draft drawn on and payable on an Australian bank and should be made payable to **"Rox Resources Limited – Share Account"** and crossed "Not Negotiable".

Application forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus.

A duly completed and lodged Application Form will constitute an offer by the Applicant to subscribe for the number of Shares applied for pursuant to the Application Form.

4.5 ALLOCATION

(a) Priority Offer

Subject to paragraph (b), the Company will use its best endeavours to allot Shares the subject of the Priority Offer to Deep Yellow shareholders in priority to anyone else. Shares not applied for by Deep Yellow shareholders by 5.00pm WST on 26 March 2004 will be offered to the general public pursuant to the Public Offer.

Applications for the Priority Offer will be considered on a 'first come, first served basis'. No preference will be conferred on applications received in the exposure period and all applications received during the exposure period will be treated as if they were simultaneously received on the date on which applications open. However, the Company retains absolute discretion when deciding whether or not to accept any particular application in part or in full and will not be liable to any Deep Yellow shareholder that is not allocated shares.

APPLICANTS ARE ACCORDINGLY ADVISED TO LODGE APPLICATIONS AS SOON AS POSSIBLE.

(b) General Discretion

The Company retains an absolute discretion in allocating Shares under the Offer and reserves the right to allot to an applicant a lesser number of shares than the number for which the applicant applies or to reject an application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest. The acceptance of applications and the allocation of Shares is at the absolute discretion of the Directors.

The Company will not be liable to any person (including a Deep Yellow shareholder) not allocated shares.

Details of the Offer

4.6 BROKER TO THE ISSUE

Patersons Securities Limited has consented to act as Lead Manager to the Issue.

4.7 PLACEMENT FEE

The Company reserves the right to pay to any licensed security dealer a fee of up to 5% with respect to any Application received by the Company bearing their stamp.

4.8 MINIMUM SUBSCRIPTION

The minimum subscription for the issue is $3,200,000. No Shares will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within four months after the date of this Prospectus, the Company will either repay the application monies to the Applicants or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their application monies.

4.9 OVERSUBSCRIPTIONS

The Company will not accept oversubscriptions.

4.10 APPLICATION MONIES HELD IN TRUST

Application money will be held in trust in a subscription account until allotment. The subscription account will be established and kept by the Company on behalf of the Applicants.

If allotments of Shares are made, all interest earned on all application monies (including those which do not result in allotments of Shares) will be retained by the Company.

4.11 AUSTRALIAN STOCK EXCHANGE LIMITED

Application will be made by the Company to the ASX, within seven days following the date of this Prospectus, for the Company to be admitted to the Official List of the ASX and for admission of the Shares offered pursuant to this Prospectus for quotation on the ASX. If the Company is not admitted to the Official List of the ASX and the Shares not admitted to quotation within 3 months after the date of this Prospectus, all application moneys will be refunded without interest.

The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the securities offered pursuant to this Prospectus.

4.12 CHESS

The Company proposes participating in the Clearing House Electronic Sub register System ("CHESS"), operated by ASX Settlement and Transfer Corporation Pty Ltd ("ASTC") a wholly owned subsidiary of the ASX, in accordance with the Listing Rules and SCH Business Rules.

Under this system, the Company will not issue certificates to investors. Instead, shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send them a CHESS statement.

The CHESS statement will set out the number of securities allotted to each holder under the Prospectus, give details of the holder's Holder Identification Number and give the Participant Identification Number of the sponsor.

If you are registered on the Issuer Sponsored Sub register, your statement will be despatched by the share registry and will contain the number of securities allotted under the Prospectus and the Shareholder's Security Holder Reference Number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however, a charge may be made for additional statements.

4.13 RESTRICTED SECURITIES

The ASX may classify promoter Shares and Options, vendor Shares together with seed capital Shares as being subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such Shares to be determined by the ASX may be required to be held in escrow.

4.14 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

Independent Geologist's Report on the Menzies Project

MALCOLM CASTLE

Consulting Geologist

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mjcastle@optusnet.com.au

12 February 2004

The Directors
Rox Resources Limited
Ground Floor, 1 Havelock Street
West Perth WA 6005

I have been commissioned by Rox Resources Limited ("Rox") to provide an Independent Geologist's Report ("Report") on the Company's projects in the Menzies area in Western Australia (the "Projects"). This report is to be included in a Prospectus to be lodged by Rox with the Australian Securities and Investments Commission ("ASIC"), offering for subscription 25 million Shares at an issue price of $0.20 per Share (the "Prospectus"), to raise a total of $5.0 million (before costs associated with the issue). The funds raised will be used for the purpose of exploration and evaluation of the mineral properties, of which Rox will be the beneficial owner.

Rox has purchased projects at Menzies from Deep Yellow Limited and I have based my review on information provided by the vendors, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the area. A listing of the principal sources of information is included in this Report. Site visits were undertaken to the Menzies area and I am familiar with the area through exploration work on earlier occasions. I have endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. A final draft of this Report was also provided to Rox, along with a written request to identify any material errors or omissions prior to lodgment. Where appropriate, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The Menzies Project comprises 8 granted Mining Leases and 2 applications for Mining Leases and 5 granted Miscellaneous Licences. The project covers an aggregate area of approximately 42.7km² stretching from approximately 8km northwest of Menzies township to 6km south as shown on the accompanying maps. The legal status associated with the tenure of the Rox properties is the subject of an Independent Solicitor's Report prepared by Steinepreis Paganin, which appears in the Prospectus, and these matters have not been independently verified by me. The present status of tenements listed in this report is based on information provided by Rox and the Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

This Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and the rules and guidelines issued by such bodies as ASIC and Australian Stock Exchange (ASX), which pertain to Independent Expert Reports. Where Mineral Resources have been referred to in this Report they accurately reflect information compiled by me and the classifications are consistent with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee (JORC) of the AusIMM, the Australian Institute of Geoscientists (AIG) and the Minerals Council of Australia (MCA), effective September 1999.

Significant resources of potential economic significance have been defined within the Menzies Project. Under the definition provided in the JORC and Valmin Codes this property is therefore classified as an "Advanced Exploration" project, which is inherently less speculative in nature. Other tenements are classified as "Exploration" projects. The property is considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Rox.

Rox intends to raise $5.0 million, and at least half of the liquid assets held, or funds proposed to be raised are understood to be committed to the exploration and development of the properties. Rox has sufficient working capital to carry out its stated objectives. Rox has prepared staged exploration programs, specific to the exploration potential of the individual tenements, which are consistent with its budget allocations. It is considered that sufficient exploration and mining activities have been undertaken by earlier explorers in the last 25 years to justify the proposed programs and expenditure. The proposed exploration and development budgets exceed the minimum annual statutory expenditure requirement on the projects.

The Independent Geologist's Report has been compiled based on information available up to and including the date of this Report. I have given my consent for the inclusion of this report in the

Prospectus in the form and context in which it appears, and have not withdrawn that consent prior to lodgment of the Prospectus with the ASIC. I have been involved only in the preparation of the Report for inclusion in this Prospectus and have authorized or caused issue of only this portion of the Prospectus.

I am not, nor intend to be, a director, officer or other direct employee of Rox and have no material interest in the Menzies Project or Rox. My relationship with Rox is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully

Malcolm Castle

B.Sc.(Hons) MAusIMM

Malcolm Castle has 37 years experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company 17 years ago and specializes in exploration management, technical Audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including gold, base metals and mineral sands. He has been responsible for project discovery through to feasibility study in Indonesia and technical Audits in many countries. The information in this report that relates to Resources has been compiled by Malcolm Castle B.Sc.(Hons) who is a self employed consultant and who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has the appropriate relevant qualifications, experience, competence and independence to be considered as an "Expert" and "Competent Person" as defined in the Valmin and JORC Codes, respectively.

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Independent Geologist's Report

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5.0

1 INTRODUCTION

The Menzies Goldfield is located 130 km north of Kalgoorlie and is one of Western Australia's larger historic goldfields. During the period 1896 to 1945, about 653,000 ounces of gold were produced from 902,000 tonnes at an average recovered grace of 22.5 g/t gold, mainly from high-grade underground mines. In more recent times, open pit mining by Paddington Gold Pty Ltd (now a 100% subsidiary of Placer Dome Asia Pacific) treated 1.68 million tonnes at 2.64 g/t gold containing about 143,000 ounces through the Paddington Treatment Facility, 100 km to the south.

Rox Resources Limited ("Rox") has acquired all the interests of Deep Yellow Limited ("Deep Yellow") in the Menzies Goldfield under a sale agreement described elsewhere in the Prospectus.

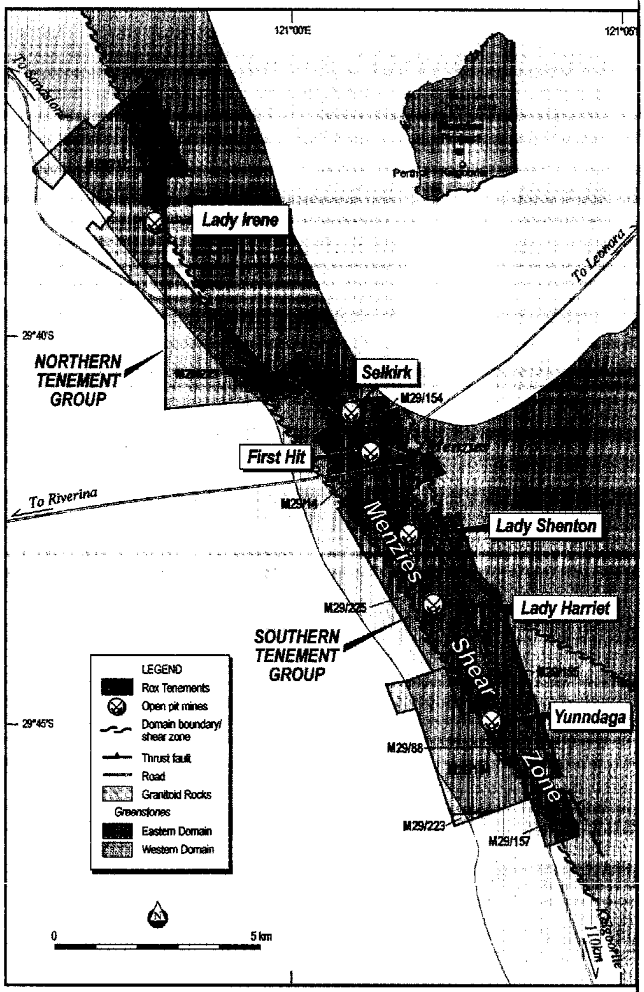
The Menzies project consists of 2 contiguous blocks of tenements (Figure 5.1), covering a total area of 4,266 hectares or 42.66 km^2. The southern group of tenements was formerly the subject of a joint venture between Deep Yellow and Placer Dome. The northern block of tenements surrounding the Lady Irene mine was previously wholly owned by Deep Yellow with no third party royalty or other interests. All tenements are in good standing and all existing resources are located on granted mining leases, giving Rox the ability to rapidly develop any economic resources free of Native Title considerations.

Gold mineralisation at Menzies is hosted within a number of sub-parallel shear zones near the western margin of a greenstone sequence dominated by mafic-ultramafic rock types. This sequence also hosts significant gold mineralisation further south in the Ora Banda-Mt Pleasant district. The host structures can be traced for over 15 km within Rox's tenements with historical workings and gold anomalism occurring discontinuously over almost the entire strike length.

Mineralisation is largely hosted by, or along the margins of, quartz-sulphide veins developed within shears associated with the Menzies Shear Zone. Host rocks include meta-sedimentary and felsic intrusive or volcanic rocks, ultramafic schists and amphibolitised basalt. Mineralisation is best developed in moderately dipping (~50°-60°) and shallowly (~30°-40°) southerly plunging shoots, parallel to a well developed mineral lineation and slickensides. The ore shoots often pinch and swell down plunge, suggesting potential for the discovery of blind repetitions or new shoots at depth.

The open pits mined by Paddington Gold Pty Ltd were mainly restricted to the oxidised portion of the ore bodies with the deepest pit at Yunndaga being mined to a maximum depth of 110 metres. Underground potential is considered to be high, and mineralised shoots identified during open pit mining remain largely untested by deeper drilling.

An example of the quality of the targets available is the historic Yunndaga Mine. Here, the mineralisation was mined by open pit method over a strike length in excess of 1.2 km and historical underground development within a section of this zone extends to 600 metres below surface. 526,000 tonnes at 16 g/t gold (270,000 ounces gold) was mined historically from this zone by underground methods. Drill intercepts of the projected shoot position include **2m at 16.0 g/t** gold, **4m at 10.5 g/t** gold, **2m at 23.7** g/t gold, and **2m at 9.1** g/t gold.



■ *Figure 5.1: Menzies Goldfield Tenements and Geology*

Independent Geologist's Report

While the Yunndaga mine was the deepest, underground mining at First Hit (300 metres) and Lady Shenton (210 metres) also occurred. None of the other deposits in the district were developed below 60 metres depth, and the possibility of the discovery of further underground shoots remains open.

Earlier exploration and mining activities at the Menzies project has indicated both existing resources beneath the open pits and potential drill targets along strike of known mineralisation.

The Menzies district (including areas outside Rox's tenements) has historical production and current resources of around one million ounces of gold at an average grade of 22.5 g/t gold from historic underground mines and 2.64 g/t gold from recent open pit production (Table 5.1). Exploration within, and along strike from the known deposits has generally been directed toward the location of open-pit resources and considerable scope exists to define deeper additional resources.

TABLE 5.1: PRODUCTION AND RESOURCES

MINE	Historic Underground Production			Recent Open pit Production			Current Resources			Total Oz Gold
	tonnes	g/t Au	Oz Au	tonnes	g/t Au	Oz Au	tonnes	g/t Au	Oz Au	
Yunndaga	526,000	16.0	270,580	800,000	2.50	64,301	830,000	2.42	64,527	399,408
Lady Shenton	185,000	32.0	190,332	314,000	2.62	76,164	580,800	2.82	52,728	269,225
First Hit[2]	165,000	32.0	169,756	325,000	2.40	25,078	102,300	3.75	12,349	207,183
Lady Harriet	12,000	22.0	8,488	160,000	2.80	14,404	89,500	1.79	5,149	28,040
Selkirk	5,000	24.0	3,858	42,000	4.60	6,212	18,000	8.95	5,201	15,270
Aspacia	9,000	35.7	10,731				19,000	3.27	2,000	12,731
Lady Irene				42,721	4.77	6,552	94,400	3.82	11,610	18,161
Total	**902,000**	**22.5**	**653,745**	**1,682,721**	**2.64**	**142,710**	**1,734,059**	**2.75**	**153,563**	**950,018**

Notes:

[1] *Lady Shenton resource includes Golden Age, Unknown, South Dump and Warrior*

[2] *First Hit resource includes Queensland Menzies and Lady Sherry*

Other producers in the Menzies district include Granny Venn (60,656 oz) and Blackjack (6,705 oz), which lie outside of Rox's tenements, and bring the total gold produced to more than 1,000,000 oz.

The information on mineralisation contained in this report accurately reflects information compiled by Mr Malcolm Castle B.Sc (Hons), M.Aus.I.M.M., 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.

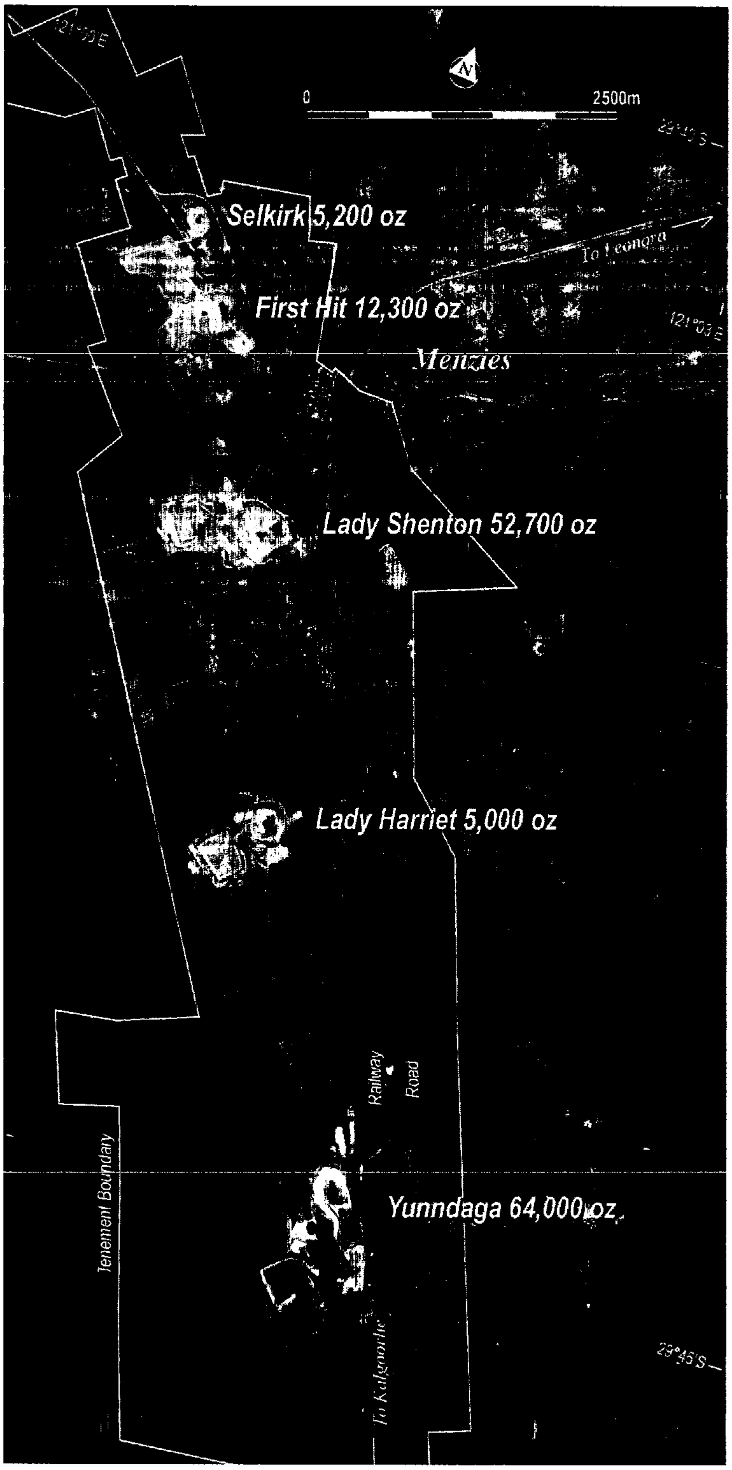


Figure 5.2: Airphoto Showing Location of Open Pits and Resources

Independent Geologist's Report

2 TENURE AND INFRASTRUCTURE

The Menzies project is covered by 8 granted mining leases, 2 mining lease applications (over previous prospecting licenses) and 5 miscellaneous licenses (for mine infrastructure and access).

Table 5.2 lists the tenements. The total area covered is 4,266 hectares (42.66km^2), with rental of $46,851 per annum, bonds of $324,500 (see notes to the table), and minimum expenditure of $372,700 per annum.

TABLE 5.2: TENEMENT SCHEDULE

Project	Tenement	Holder	Granted	Expiry	Area (ha)	Rent $	Commitment $	Bonds[1] $
Menzies	M29/88	Goongarrie Gold Pty Ltd	28/07/88	27/07/09	35	459	10,000	38,000
	M29/153	Goongarrie Gold Pty Ltd	18/11/92	17/11/13	990	12,632	99,000	119,000
	M29/154	Goongarrie Gold Pty Ltd	18/11/92	17/11/13	345	4,415	34,600	63,000
	M29/155	Goongarrie Gold Pty Ltd	18/11/92	17/11/13	492	6,278	49,200	8,000
	M29/157	Goongarrie Gold Pty Ltd	13/10/92	12/10/13	125	1,608	12,600	-
	M29/184	Goongarrie Gold Pty Ltd	13/03/97	12/03/18	640	8,166	64,000	53,000
	MLA29/223	Goongarrie Gold Pty Ltd	-	-	15	(191)	(10,000)[2]	-
	M29/14	Julia Gold Pty Ltd	14/05/84	13/05/05	103	1,314	10,300	11,000
	L29/41	Goongarrie Gold Pty Ltd	25/10/88	24/10/03	3	34	-	-
	L29/42	Goongarrie Gold Pty Ltd	22/02/89	21/02/04	1	11	-	-
	L29/43	Goongarrie Gold Pty Ltd	22/02/89	21/02/04	1	11	-	-
	L29/44	Goongarrie Gold Pty Ltd	22/02/89	21/02/04	1	11	-	-
	L29/58	Paddington Gold Pty Ltd	15/10/96	14/10/06	4	45	-	-
Total					**2,755**	**34,984**	**279,700**	**292,800[1]**
Lady Irene	M29/212	Julia Gold Pty Ltd	27/02/01	26/02/22	930	11,867	93,000	32,500
	MLA29/225 (conv P29/1375-1378)	Julia Gold Pty Ltd	-		581	(7,413)[2]	(58,100)[2]	
Total					**1,511**	**11,867**	**93,000**	**32,500**
GRAND TOTAL					**4,266**	**46,851**	**372,700**	**324,500[1]**

Key to Tenement Schedule

M - Mining Lease MLA - Mining Lease Application P - Prospecting Licence L - Miscellaneous Licence

[1] Under the Agreement between Deep Yellow and Placer, Placer will post approximately $103,467 of this bond for their retained interest in low-grade stockpiles

[2] Rent and expenditure commitments will not come into effect until Tenements are granted

Infrastructure

The Menzies tenements are well served by infrastructure. A bitumen sealed road from Kalgoorlie to Wiluna (the Goldfields Highway) passes north-south through the tenements. A railway line connected to the Western Australia rail system also passes north-south through the tenements. Ore can be transported by either road or rail to adjacent treatment plants at Paddington (100km south) or Tarmoola (130km north).

The township of Menzies provides several services, such as power water and fuel, and will serve as a base for Rox's operations. Rox has secured the lease on the exploration base previously used by Julia Mines (and then Deep Yellow) in Menzies.

The tenements are served by a number of existing haul roads and other infrastructure put in place by Placer Dome (and its predecessors) during the recent open pit mining (1996-1998). These haul roads will be maintained by Placer under the agreement which allows Placer access to existing low grade stockpiles.

Rox will assume Deep Yellow's liabilities for rehabilitation of waste dumps and other miscellaneous surface disturbances. The waste dumps have already been rehabilitated by Placer Dome. Bonds currently total $324,500 (Rox will post approximately $221,00 of this), but will reduce as the DoIR review re-vegetation progress on the waste dumps. Placer Dome estimated further rehabilitation expenditure of $90,000 would be required to complete work on the miscellaneous disturbances. Rox could then expect to recover all the bonds outstanding.

3 GEOLOGY

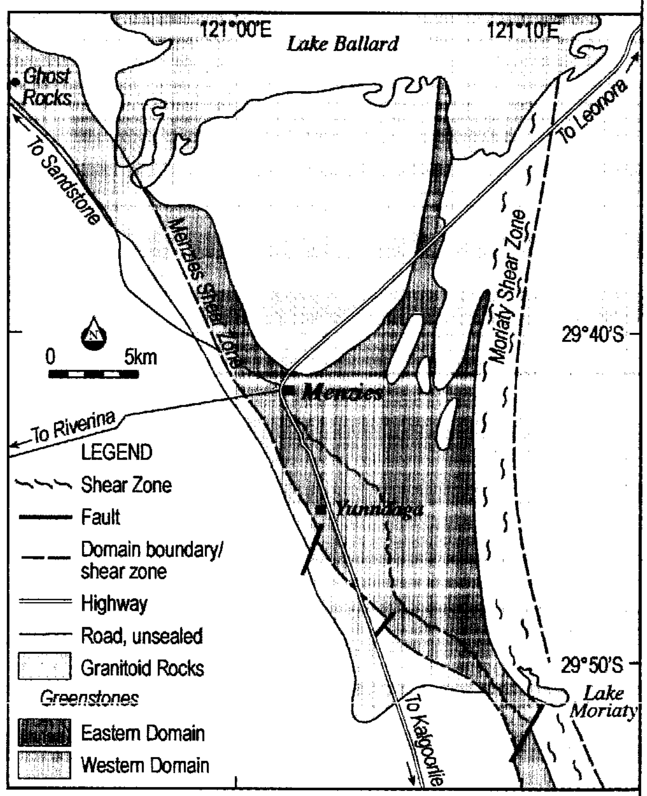
3.1 REGIONAL GEOLOGY

The Menzies district lies 130 kilometres north-northeast of Kalgoorlie, within the Norseman-Wiluna greenstone belt of the Western Australian Archaean Yilgarn Province and is essentially a northern extension of the greenstone sequences of the Bardoc Tectonic Zone, which lies south of the Comet Vale Monzogranite. Swager et.al. (1990) have assigned a separate 'Menzies Terrane' for these rocks.

The regional geology of the Menzies district consists of a linear belt of Archaean volcanic rocks and sedimentary rock (greenstones) flanked by granitic intrusive rocks. The Archaean greenstone package has been metamorphosed to mid to upper amphibolite facies with the intensity of metamorphism gradually increasing to the north. The dominant rock types in the area are amphibolites with lesser basaltic lavas and tuffs, talc-chlorite and chlorite schists, volcanogenic sediments and minor felsic volcanic porphyry.

The greenstone belt at Menzies forms a V-shape, bounded on the western side by the Mount Pleasant Dome (Goongarrie Monzogranite), to the east by the Scotia-Kanowna Dome (Witt 1990) and to the north by the Jorgenson Monzogranite (Figure 5.3). The belt extends from Comet Vale in the south, to the Ghost Rocks area in the northwest and the Twin Hills area in the northeast. Two major shear zones, The Moriarty Shear Zone and the Menzies Shear Zone, dominate the structural framework. These zones are characterised by strongly foliated and lineated rocks, forming attenuated and interleaved lenses.

Swager (1994) divides the Menzies district into Western and Eastern Tectonostratigraphic Domains, divided by the Menzies Shear Zone (Figure 5.3). The stratigraphy, strain levels and deformation patterns are similar throughout each respective domain.



■ *Figure 5.3: Regional Geology – Menzies Area (from Swager, 1994)*

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Western Domain Geology

The stratigraphy of the Western Domain youngs to the east and can be traced southwards as the lateral equivalent of the Ora Banda sequence (Witt, 1987, 1990). The sequence is more sheared, attenuated and metamorphosed in the areas of gold mineralisation. From west to east the sequence is lower basalt, ultramafics/ultramafic schists (equivalent to Siberia Komatiite), amphibolites and gabbros (equivalent to Mt Ellis Sill, Mt Pleasant Sill, Bent Tree Basalt, and Victorious Basalt). Sedimentary rocks and strongly deformed porphyries adjacent to the upper mafic units, particularly evident in the Yunndaga area, are probably the top of the Eastern (Boorara) Domain rocks which face west.

Weathering usually extends to only a few metres in the northern part of the area, becoming much deeper over major shears. Outcrop is interspersed with shallow soil cover. Ferricrete is developed around the Lady Harriet area and silica caps are developed on ultramafic rocks west of Yunndaga. South of Yunndaga complete weathering extends to 60-80 metres, with saprock continuing to more than 100 metres. Transported cover of 20 to 40 metres is common.

Eastern Domain Geology

The stratigraphy in the Eastern Domain at Menzies youngs west and is broadly similar to rocks of the Boorara Domain. The lowermost basalt unit is equivalent to the Scotia Basalt (a high magnesian basalt). A muscovite schist, often at the granite contact, is probably sheared granite and/or minor sedimentary layers.

Overlying the basal mafic unit is a sedimentary package, including quartzite units, lying in the same stratigraphic position as the Big Blow Chert.

An ultramafic sequence overlies the sedimentary package (equivalent to the Highway Ultramafics of the Boorara Domain). These rocks include tremolite schist, talc-chlorite schist and minor serpentinite.

A second sedimentary sequence lies above the ultramafics. The rocks are described as quartz muscovite schists and felsic volcaniclastic schists, distinguishing them from the quartz-andalusite rocks beneath the ultramafics. Black shales have been mapped towards the top of this sequence. Cherts have developed in places within the shales, probably from a combination of weathering and due to the coincident location of major structures in the shales.

An extensive upper mafic sequence overlies the second sedimentary sequence. It consists of amphibolite and basalt units, with extensive interlayered sedimentary units. Felspar-quartz porphyry dykes occur near the top of this sequence, close to the Menzies Shear Zone.

Felsic schists and felsic gneisses, interpreted to be highly strained volcaniclastic sediments also occur within the Menzies Shear Zone. These rocks are exposed in the eastern wall of the Yunndaga pit and extend northwards for many kilometres in a linear belt, within the Menzies Shear Zone. A sequence of alternating felsic volcaniclastic rocks and black shales, the upper part of the Yunndaga Sediments, lies immediately to the east of this felsic package. Occasional thin mafic amphibolite units occur within the sediments. This sequence is the equivalent of the Black Flag Group in the Boorara Domain. They lie at the top of the Eastern Domain sequence and have partitioned much of the strain from the Menzies Shear Zone.

Several granodiorite bodies have intruded the north-eastern part of the Eastern Domain, belonging to the Oliver Twist Granodiorite.

3.2 PROJECT GEOLOGY

Coarse grained granodiorite derived psammites and mafic derived amphibolites interleaved with tuffs and porphyritic acid intrusives of the Western Domain are important host rocks in the Menzies District at the Lady Shenton and Yunndaga deposits. Most other gold deposits in the Menzies district are hosted in amphibolite of the Western Domain.

Alteration styles are dependant on host rock chemistry but biotite alteration is most common. Deposits hosted in amphibolite (e.g. Shenton Lode, Friday Balkis, First Hit/Queensland Menzies, Aspacia, Selkirk) have alteration styles which are generally siliceous 'cherty recrystallised quartz' within amphibole-chlorite-biotite zones.

3.3 REGIONAL STRUCTURE

The Menzies-Boorara Shear Zone (MBSZ) is the major structure in the Menzies area, and lies within the Bardoc Tectonic Zone to the east of the Zuleika Shear Zone and to the west of the Moriaty Shear Zone. A minimum of 10 kilometres movement for the MBSZ has been suggested. The MBSZ is approximately 1.5 km wide and is dominated by ductile deformation. Strain has tended to be preferentially hosted by the less competent units such as the ultramafics which have consequently become highly attenuated while more competent rock such as gabbros and porphyry are often strongly boudinaged. Porphyry dykes and sills intrude preferentially along NNW trending structures and, in areas of high strain, have become strongly boudinaged and attenuated to form cylindrical bodies which are occasionally mineralised.

Western Domain Structure

The Western Domain is essentially a linear belt of rocks, which trends north northwest parallel to the major structural feature of the district - the Menzies Shear Zone. Major compressive deformation events have reduced the thickness of the Western Domain sequence to only 1-3 kilometres in most places.

The structural history of the Western Domain can be interpreted from the regional aerial magnetic data (Figure 5.4). West dipping thrusts have repeated the upper mafic sequences in the area between Yunndaga and Comet Vale. These are likely to be related to the regional D_2 deformation event.

Prominent, late, north northeast trending brittle cross faults in the main mining centre from Selkirk to Yunndaga display a spatial association with mineralisation at many of the deposits and geochemical anomalies (e.g. Lady Shenton, Lady Harriet and Yunndaga). Most fault offsets are small and usually have a dextral sense.

Eastern Domain Structure

The Eastern Domain, is dominated by folding and exhibits a different structural framework to the Western Domain. The dominant structural feature is the Moriarty Shear Zone, which lies on the eastern side of the greenstone belt, at its contact with the granitoids. The shear zone exceeds one kilometre in width in places and consists of granitoid gneiss with intercalated amphibolite and ultramafic schist lenses.

Numerous other thrust contacts were folded about north-south F_2 hinge lines and are thus assigned to a D_1 event. These contorted thrust contacts were further complicated by doming, following the intrusion of three syn- to post-D_2 Oliver Twist granitoids. The east and west granodiorite bodies have intruded and/or formed double plunging anticlines, while the central body has intruded an F_2 syncline.

The tight F_2 folds of the Eastern Domain were developed parallel to the King Dam Anticline, a major south plunging structure situated three kilometres west of the Moriarty Shear Zone.

A major D_2 thrust has been interpreted to explain numerous repetitions of ultramafic, sedimentary and mafic sequences on the eastern margin of the Menzies Shear Zone, on the far western side of the Eastern Domain. These structures are common further south in the Boorara Domain around Panglo and Paddington.

Imbricate thrusts in sedimentary units, with transport in a north/northeast direction, can be observed in the Lady Shenton pit while southwest dipping thrust faults are found in the Selkirk and Lady Shenton pits.

As for the Western Domain, late brittle faults display a spatial association with gold mineralisation. Drilling to the south of Yunndaga confirms the dextral offset to the mineralised trend south along strike by a regional northeast trending fault.

Evidence exists for a later, syn- to post-mineralisation set of brittle faults with small sinistral offsets, striking east to northeast. Numerous steep-dipping, brittle, sinistral structures occur in the Lady Shenton and Yunndaga pits. The southern extension of the First Hit Lode, the Queensland Menzies Lode, is offset to the east by 140 metres. Northeast trending faults, some of which are sinistral, occur in the Yunndaga pit.

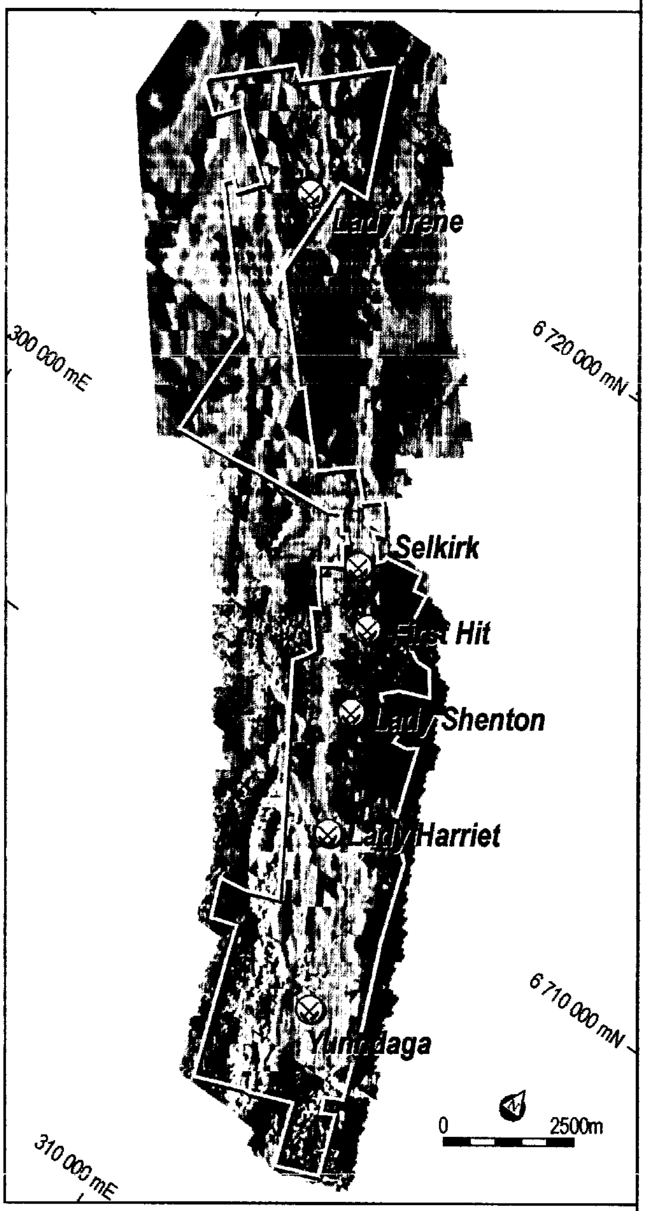

Figure 5.4: Regional Aeromagnetic data

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3.4 MINERALISATION

There are three main NNW trends, which host most of the historic workings and all the modern open pits (Figure 5.5).

1. The eastern trend which passes through Selkirk, First Hit, Lady Shenton (east), Golden Age, and Craig-Y-Nos represents the eastern margin of the shear zone and is centred on 1 or 2 sheared and highly attenuated ultramafic schists.
2. The central or Lady Shenton trend which takes in Friday Balkis and Lady Shenton (west) and passes to the west of Golden Age is also centred on an ultramafic schist and has boudinaged porphyry intrusives along it.
3. The western or Yunndaga trend passes through Aspacia, South Dump, Warrior, Lady Harriet, Pioneer and Yunndaga. It occurs along the western side of the shear zone along the contact between amphibolite and massive felsic schists and gneisses east of the Yunndaga sediments.

Most of the deposits mined by open pit were also mined by underground methods to various depths, with the deepest workings recorded at Yunndaga at 600 metres. All ore bodies cropped out at surface and contained spectacular supergene grades. Gold is generally hosted by quartz veins or lodes, often occurring with sulphides. In higher metamorphic grade rocks mineralisation generally occurs in pipe-like shoots, collinear with mineral elongation lineations, within and in close proximity to banded brittle ductile shearing. Ore shoots are developed on 50°-60° westerly dipping layers and consistently plunge between 30° and 40° south. Ore shoots are often boudinaged down plunge, therefore the potential exists for the discovery of 'blind' deposits.

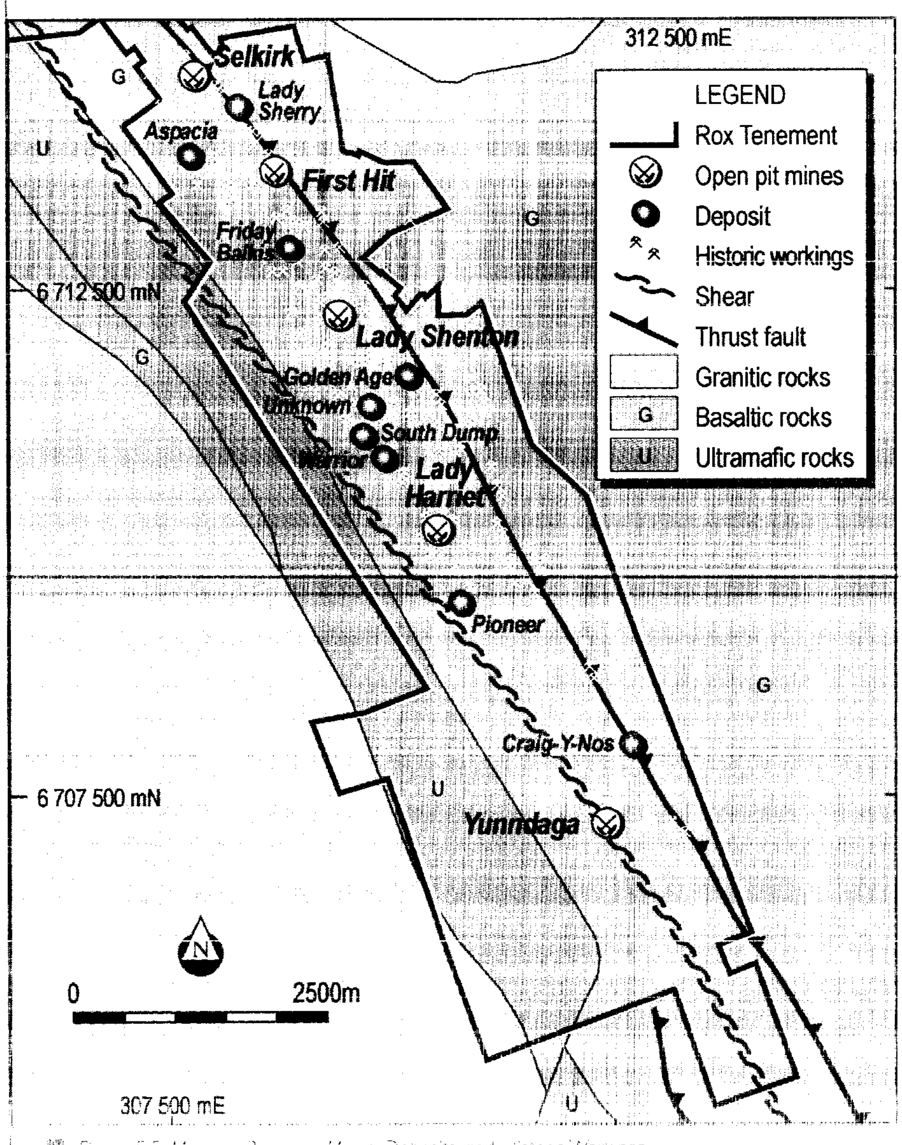

Figure 5.5: Menzies Project – Mines, Deposits and Historic Workings

Only small geochemical signatures or halos are expressed on the surface regolith profile for the major gold deposits. The regolith consists of a truncated erosional regime with very limited transported material or 'cover' and there is an absence of significant depletion zones within the saprolite and outcrop commonly occurs throughout the district.

The Menzies district has yielded over 1,000,000 ounces of gold in past production and unmined resources (Table 5.3). Historical underground production averaged 20-30 g/t gold, with modern open pit mining by Paddington Gold Pty Ltd producing average ore grades of 2.5-3 g/t gold.

Most areas of historic and modern production are close to the Menzies Shear Zone, the exception being the Granny Venn area, 7 kilometres northeast of the Menzies township.

Swarms of late east-west cross faults at First Hit, Friday Balkis, Lady Shenton and Golden Age suggest a link to mineralisation, where the late faults produced dilation zones along north-northwest trending shears.

TABLE 5.3: MENZIES DISTRICT PRODUCTION AND REMAINING RESOURCES

Deposit	Type	Period	Tonnes	Grade (g/t)	Ounces	Depth (m)
Selkirk	Historical	1896-1939	5,000	24.0	3,871	45
	High Grade	1997	33,042	5.5	5,862	55
	Low Grade	1997	9,000	1.36	395	55
	Resource		18,000	8.95	5,197	100
First Hit	Historical	1896-1939	165,000	32.0	170,323	300
	High Grade	1996-1997	174,000	3.38	18,972	65
	Low Grade	1996-1997	151,000	1.2	5,845	65
	Resource		20,000	10.35	6,677	120
Old Menzies	Mullock	1997	8,000	0.97	250	
	Resource		51,000	2.31	3,800	
Lady Shenton/Falconer	Historical	1896-1939	185,000	32.0	190,968	210
	High Grade	1996-1997	196,000	3.51	22,192	65
	Low Grade	1996-1997	118,000	1.15	4,377	65
	Resource		440,000	3.05	43,211	65
Lady Harriet	Historical	1896-1922	12,000	22.0	8,516	60
	High Grade	1998	193,000	3.08	19,175	60
	Low Grade	1998	69,000	0.92	2,048	60
	Resource		89,000	1.79	5,149	60
Yunndaga	Historical	1895-1943	526,000	16	271,484	600
	High Grade	1995-1998	614,000	3.14	62,192	110
	Low Grade	1995-1998	360,000	1.17	13,587	110
	Resource		830,000	2.42	64,527	140
Granny Venn/Aunt Nellie[1]	High Grade		534,185	3.52	60,656	
Blackjack[1]	Laterite	1997	24,000	2.61	2,021	
	Resource		12,000	12.1	4,684	
Alpha Shaft	Mullock	1996	9,500	2.4	735	
Golden Age	Resource		38,000	1.89	2,317	
Lady Sherry	Resource		31,000	1.89	1,890	
Unknown	Resource		31,000	2.34	2,340	
South Dump	Resource		21,000	2.74	1,856	
Aspacia	Historical		9,313	35.7	10,731	
	Resource		19,000	3.27	2,004	
Warrior	Resource		50,150	1.84	2,967	
Total			**5,045,190**	**6.30**	**1,021,160**	

Note:
[1] These deposits fall outside of Rox's tenements
Not all production (mined) has been processed. There are a number of low-grade stockpiles and mullock dumps.

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4 MINING & EXPLORATION HISTORY

Previous exploration from records available is summarised in Table 5.4.

TABLE 5.4: SUMMARY OF PREVIOUS EXPLORATION

Date	Company	Tenements	Activity	Targets/Outcomes
1980	Queen Margaret GM NL	Maranoa	Diamond Drilling	Down-plunge extensions to 3 high grade ore shoots. No significant results
1981	Greenbushes Tin Ltd	GML 5841 and 6083	Diamond Drilling	Southern exposure to Aspacia main lode, narrow intervals, low grades
1981	S. Mc Dougall and I. Shulman	Yunndaga (Menzies Consolidated)	RRMIP survey	Five chargeable/resistive anomalies along Yunndaga trend.
1981	Southern Goldfields/ Technomin	First Hit	RRMIP survey	Three chargeable/resistive anomalies north of First Hit deposit.
1984	Sandine/Technomin	Yunndaga (Princess Eva)	RRMIP survey	Mineralisation along east-west cross faults, no chargeable zones found
1984-1985	Aberfoyle	Black Jack, Lone Hand	Open hole percussion drilling	Drilling at Black Jack and Lone Hand workings showed narrow, low grades eg 3m at 2.03 g/t Au.
1986	BHP	Lone Hand	RAB drilling	Drilling under Lone Hand workings gave 4m at 1.02 g/t Au.
1986	MC Mining NL	Aspacia	-80 mesh soil sampling, ground magnetometry	Remaining Resources est. 14,510t at 13.5 g/t Au. Lodes offset by late faults. Targets north and south recommended for drilling.
1985-1989	CRA Exploration	East Menzies area- Springfield and Piccadilly Well projects	Mapping, soil sampling, RAB drilling	Several >20 ppb Au soil anomalies coincident with felsic porphyries and ultramafics. RAB drilling anomalous, but insufficient signature to warrant further work. No deep drilling on largest RAB anomaly
1988	Lyco Resources	P29/741- 755	RAB Drilling	Up to 1 g/t Au and 3000 ppm As in Yunndaga trend to south and up to 0.6 g/t Au in gabbro on western side of trend. Map missing from report
1988	Summit Gold	St Albans	RAB drilling, RC drilling	Broad RAB lines, RC under St Albans workings gave sporadic results
1989-1990	Ashton	Black Jack, Lone Hand	RAB drilling	Narrow intersections around workings e.g. 2m at 4.43 g/t Au.
1989	Julia Mines/ Summit Gold	St Albans	RAB drilling, RC drilling	Targeting Yunndaga trend under cover. One RC hole intersection under St Albans workings of 8m at 3.69 g/t Au.
1989-1990	Asarco/Julia/ Summit	St Albans	Mapping, soil sampling	No significant soil anomalies. Yunndaga trend lithologies not found.
1992	Asarco Australia Ltd	M29/153	RAB Data Review	Northern extensions to Yunndaga deposit, low values only Warrior-Lady Harriet area.
1993	Asarco Australia Ltd	M29/153	RAB sterilisation Data Review	North of Lady Shenton. Low values. Targets developed south of Lady Shenton, Warrior North and Last Chance.
1994	Sons of Gwalia	East Menzies area- Broughtonville project	Mapping, soil sampling, RAB drilling	No anomalies, deep transported regolith over southern 5km of Moriarty Shear.
1995	Wells Gold	St Albans	RAB drilling	Structural/Magnetic targets north along strike of St Albans North workings. No significant results.

Date	Company	Tenements	Activity	Targets/Outcomes
1996	CRA Exploration	P29/1432-1433 Black Jack	Mapping, RAB, RC drilling	One RC hole gave 2m at 23.4 g/t Au from 108m, nothing in nearby holes
1996-1997	Paddington Gold	M29/14 Aspacia	RAB drilling, RC drilling	Sterilisation of First Hit Waste dump area. Infill RC drilling of Aspacia prospect produced Reserve of 7,000t at 3.4 g/t Au.
1996-1997	Paddington Gold	M29/88 Yunndaga	RC drilling, water bore drilling, Ore Reserve estimation.	Yunndaga North Reserve.
1996-1997	Goldfields Exploration	P29/1446-1449,1469-1480, 1483-1488,1514-1518,1556. Menzies East	Mapping, auger soil sampling, RAB drilling.	Four >20 ppb Au soil anomalies, 16m at 0.46 g/t Au in RAB over granodiorite at Gigante Grande. 4m at 3 g/t Au in mafics at K2.
1997	Paddington Gold	M29/14,88, 153, 155, 157,184 and P29/1507 Julia JV	RAB drilling, RC drilling, auger soil sampling	6m at 1.65 g/t Au, 6m at 3.45 g/t Au in RAB at Uncle Dick, low results at Kenny's Patch, Little Wonder, Craig-Y-Nos, Guiding Star, Falcon's Feast and Friday Balkis. RC drilling found resources at Lady Shenton, Queensland Menzies, Lady Harriet, Golden Age, South Dump, Lady Sherry, Unknown and Selkirk.
1997-1998	Goldfields Exploration	P29/1446-1449, 1469-1480, 1483-1488,1514-1518, 1556. Menzies East	Aeromagnetics, RAB, RC, DD drilling, MMI soil sampling	5m at 17.8 g/t Au in RAB at Gigante Grande, narrow sparse veins in follow-up RC and DD drilling. Low RAB values at K2. 4m at 2.95 g/t Au in RAB at Koda Paxi.
1998	Paddington Gold	M29/14,88, 153, 155, 157,184 and P29/1507 Julia JV	RAB drilling, RC drilling, auger soil sampling	RC drilling found resources at Warrior, Lady Shenton. Pioneer uneconomic.
1998	Goldfields Exploration	P29/1450-1452 Menzies West	Auger soil sampling, RC drilling	Soil anomalies over St Albans workings and on Selkirk trend. RC drilling missed mineralisation at St Albans.
1998	Goldfields Exploration	P29/1448-9, 1474-78,1480,1514-1518. Menzies East	RAB drilling, AC drilling	Poor results at Koda Paxi and Gigante Grande North.
1998	Goldfields Exploration	M29/14,88,153,155, 157,184 and P29/1507 Julia JV	Geological mapping, auger soil sampling, RAB drilling	Numerous soil anomalies, particularly along Yunndaga trend. Low RAB results.
1998-1999	Goldfields Exploration	P29/1489,1507	Multi-element analysis	No targets.
1999	Goldfields Exploration	P29/1448-9, 1474-78,1480,1514-1518. Menzies East	Gravity survey	No targets.
1999	Goldfields Exploration	M29/14,88, 153, 155, 157,184 and P29/1507 Julia JV	Re-logging, RAB drilling, RC drilling, Diamond drilling	RAB drilling along Yunndaga trend, 7m at 6.9 g/t Au at Warrior, remainder low. RC found resource at Lady Harriet south, low results at Yunndaga North, Pioneer, Crown Cross. Isolated 9m at 4.1 g/t Au at Lady Harriet North. Yunndaga deep diamond drilling gave low results.

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5 RESOURCES

5.1 OVERVIEW

Remaining resources at Menzies after completion of open cut mining are listed in Table 5.5, together with the resources estimated for the Lady Irene deposit. The resource estimates comply with the JORC Code. In total, Measured and Indicated Resources account for 55% of the resources.

TABLE 5.5: RESOURCES BY DEPOSIT

Prospect	Measured		Indicated		Inferred		Total		
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
First Hit	4,500	13.20	7,500	10.50	8,000	8.60	20,000	10.35	6,654
Queensland Menzies	18,400	2.50	8,100	2.21	25,000	2.20	51,500	2.31	3,823
Golden Age	24,500	2.10	9,474	1.65	4,000	1.20	37,974	1.89	2,311
Selkirk			8,066	12.12	10,000	6.40	18,066	8.95	5,201
Lady Sherry	11,800	1.70	13,011	2.29	6,000	1.40	30,811	1.89	1,873
Unknown	22,000	2.30	5,654	2.78	3,500	1.90	31,154	2.34	2,346
Lady Shenton			400,000	3.11	40,000	2.50	440,000	3.05	43,211
Lady Harriet			89,471	1.79			89,471	1.79	5,149
South Dump	12,000	2.70	7,500	2.92	2,000	2.30	21,500	2.74	1,894
Yunndaga			150,000	2.50	680,000	2.40	830,000	2.42	64,527
Aspacia			7,000	3.40	12,000	3.20	19,000	3.27	2,000
Warrior			50,150	1.84			50,150	1.84	2,967
Total	**93,200**	**2.79**	**755,926**	**2.87**	**790,500**	**2.51**	**1,639,626**	**2.69**	**141,953**
Lady Irene	5,027	3.21	54,362	3.29	35,044	4.74	94.433	3.82	11,610
Grand Total	**98,227**	**2.81**	**810,288**	**2.90**	**825,544**	**2.60**	**1,734,059**	**2.75**	**153,563**

Note: The accuracy of the tonnage, grade and ounces calculations are as reported in various source documents.

The information on mineralisation contained in this report accurately reflects information compiled by Mr Malcolm Castle B.Sc (Hons), M.Aus. I.M.M., 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.

TABLE 5.6: RESOURCES BY CATEGORY

Category	Tonnes	Grade	Ounces	%
Measured	98,227	2.81	8,875	5.8%
Indicated	810,288	2.90	75,604	49.2%
Inferred	825,544	2.60	69,084	45.0%
Total	**1,734,059**	**2.75**	**153,563**	**100.0%**

RAB holes were generally drilled with a three-inch bit. The sample returns were placed on the ground and four metre composite samples taken for assay. Composite samples were re-sampled in single metre intervals where significant results were found. RC holes were generally drilled and sampled with a five and a half inch down-the-hole face-sampling hammer bit. Sample returns were passed through a three-tier riffle splitter with the residue collected in a plastic bag and a sample collected in a calico bag for assaying. Samples were sent to Kalgoorlie Assay Laboratories (KAL) or Paddington Gold Pty Limited Laboratory for assessment by fire assay techniques with a 50g charge. Approximately 10% of results were check assayed internally by KAL.

Resources were block modelled by section first, and then by flitch. The figures quoted are for resources below the open pits.

5.2 FIRST HIT/QUEENSLAND MENZIES

The First Hit and Queensland Menzies deposits (Figure 5.5) lie at the western boundary of the township of Menzies on mining lease M29/154. The two deposits are adjacent to each other along strike, separated and offset by an east-west striking fault. Most recently they were mined by a single open pit to 65 metres vertical depth, which yielded 325,000 tonnes at 2.4 g/t gold for 25,000 ounces of gold. Historically the First Hit and Queensland Menzies deposits were mined by underground methods to 300 metres and produced 165,000 tonnes of ore yielding 170,000 ounces of gold at an average grade of 32 g/t gold.

Mineralisation

Mineralisation occurs within a south plunging quartz-biotite zone hosted by interbedded mafic amphibolite and talc-tremolite-chlorite ultramafic schists. Gold mineralisation is developed in an en-echelon series of brittle-ductile short (30m) strike length quartz lodes, indicating both sinistral and dextral shear movements. Veins are elongated and plunge at 20-30 degrees to the south-southeast. Sulphides associated with mineralisation are galena, sphalerite, pyrite, pyrrhotite and arsenopyrite. Queensland Menzies is the offset southern extension of the First Hit lode.

A major east-west trending late sinistral fault offsets both the stratigraphy and mineralisation by up to 50 metres in the centre of the First Hit pit. A parallel structure is developed to the immediate south of the pit, across which historical miners lost the Queensland Menzies lode.

Resource Estimate

181 RC holes were drilled at First Hit for 9,474 metres by Julia Mines. A further 105 RAB holes and 89 RC holes were drilled at Queensland Menzies by Paddington Gold. A resource report was produced by Asarco Australia Ltd., based on work done by Julia Mines. This report used an upper cut of 10 g/t gold for reporting of ROM grade. Later work defined the resource at Queensland Menzies. This work used a top cut of 15 g/t gold for mineralisation.

5.3 GOLDEN AGE

The Golden Age prospect is approximately 1 km south of the Lady Shenton mine (Figure 5.5) and along strike from the mineralisation at Lady Shenton east on mining lease M 29/153. The deposit lies on the margin of a felsic porphyry and amphibolite rocks and strikes north-south, dips approximately 70 degrees to the west and plunges to the south-west. The mineralisation contains pyrite, arsenopyrite with minor chalcopyrite, galena and sphalerite, and shows biotite alteration.

This deposit was mined between 1896 and 1936 using underground methods and produced 1,080 tonnes of ore that yielded 3,635 ounces of gold with an average grade of 104.7 g/t gold. No recorded mining has taken place since 1936.

Resource Estimate

28 reverse circulation (RC) holes were drilled for 1,127 metres. A resource was estimated using a top cut of 15 g/t gold for mineralisation and a bulk density of 2.2 t/m^3.

5.4 SELKIRK

The Selkirk deposit is situated approximately 1.6 km north west of Menzies (Figure 5.5) within mining lease M29/154. Selkirk is a small south-westerly plunging deposit hosted within amphibolite rocks and consists of a quartz vein extending up to 40 metres along strike and up to 2 metres wide with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite. This deposit was mined in 1997 by open cut methods yielding 42,154 tonnes grading at 4.61 g/t gold for 6,249 ounces. Historically Selkirk was mined by underground methods and produced 5,000 tonnes for 3,700 ounces of gold averaging 24 g/t gold.

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Mineralisation

Mineralisation at Selkirk is hosted by fine-grained mafic amphibolites and talc-chlorite schists. The eastern mafic amphibolite is separated from the western ultramafic by a thin black shale unit. A large, west-dipping south plunging 1-2m wide quartz vein was developed where two principal shears in ultramafic schists converged. The ore zone also comprises conjugate sets of north-south and east-west en-echelon vein arrays within a northwest trending biotite alteration zone. The ore contained pyrite, pyrrhotite, arsenopyrite, galena, sphalerite and copper compounds.

Resource Estimate

76 rotary air blast holes (RAB) and 57 reverse circulation (RC) holes were drilled. A resource report was produced by Wiluna Mines. This report used a lower cut of 4 g/t gold for reporting of ROM grade only, no upper cut was used, a metallurgical recovery of 90% was assumed and calculated an indicated resource of 6,820 tonnes at 22.1 g/t gold. Later work was completed using a top cut of 15 g/t gold for mineralisation.

5.5 LADY SHERRY

This prospect lies approximately 200m north of the First Hit pit (Figure 5.5) along strike of the First Hit mineralisation on mining lease M29/154. There appears to be no recorded production from the Lady Sherry prospect although there are workings in the area. Lady Sherry is a small south-westerly plunging deposit hosted within amphibolite rocks and consists of a quartz vein, up to 2 metres thick and 40 metres in strike, with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Resource Estimate

22 reverse circulation (RC) holes were drilled. A resource was estimated using a top cut of 15 g/t gold for mineralisation.

5.6 UNKNOWN

The Unknown prospect lies approximately 1 km to the north of the Lady Harriet pit (Figure 5.5) where there are some old workings on mining lease M29/153. Historically these workings produced about 500 ounces of gold from 1,200 tonnes of ore. Unknown is a small south-westerly plunging deposit hosted within amphibolite rocks and consists a quartz vein, up to 2 metres thick with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Resource Estimate

[illegible]9 reverse circulation (RC) holes were drilled. A resource was estimated using a top cut of 15 g/t gold for mineralisation and a [illegible]

5.7 LADY SHENTON

The Lady Shenton pit (Figure 5.5), located approximately 500m to the south of the Menzies township within mining lease M29/153, was mined by open cut methods. The deposit contains three distinct lodes which have been successfully mined. The Shenton lode is a south-westerly plunging shoot hosted within amphibolite rocks and consists of a quartz vein up to 2 metres thick with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Historically (1896-1939), Lady Shenton produced 185,000 tonnes of ore by underground methods, yielding 190,000 ounces of gold at an average grade of 32 g/t gold. Recent open pit mining saw 314,000 tonnes of ore removed at a grade of 2.62 g/t gold for 26,450 ounces.

Mineralisation

The Lady Shenton group of deposits consists of three known lodes, which are from west to east, the Lady Shenton, Falconer and Big Babe lodes (Figure 5.6). Lady Shenton was mined historically to 210 metres depth over a 100 metre strike length, in the form of a narrow one metre-wide high grade quartz lode dipping about 60 degrees southwest and hosted by mafic amphibolite.

The Falconer lode also dips southwest and intersects the Lady Shenton lode at about 250 metres depth. Big Babe had no old workings and is developed on the margin of a large quartz porphyry unit. Listric structural controls to the three lodes may lead to them eventually coalescing at depth. Porphyry emplacement may be related to mineralisation at Falconer and Big Babe. Lady Shenton appears to have simply formed in dilation zones along the main foliation.

At least 3 generations of feldspar porphyry dykes intrude the amphibolite sequence. These bodies have a close spatial association with mineralisation, the Falconer lode being entirely hosted within porphyry. The Falconer porphyry truncates the Lady Shenton lode at about 250 metres vertical depth. Although the grade and ore tonnages in the Lady Shenton lode reportedly decreased in proximity to the porphyry, there is insufficient deeper drilling to determine whether it remakes below this level. The Big Babe lode is also spatially associated with a porphyry intrusion, but mineralisation is best developed along the intrusive contact, rather than within the porphyry.

The alteration envelope associated with the Lady Shenton lode consists of a prograde biotite overprint on a chlorite-deformed sulphide (galena, sphalerite-pyrrhotite-pyrite) assemblage. Sericite is a more important component of the alteration assemblage in the porphyry-associated lodes of Falconer and Big Babe. Galena, sphalerite, pyrrhotite and pyrite are present in all three lodes.

Discontinuities are recognised in all 3 lodes, reflecting boudinage of the lodes and the associated porphyry bodies down plunge.

Because the Lady Shenton pit contains 3 distinct lode structures it [illegible] existing open pit indicates that both the Falconer and Big Babe lodes show modest down plunge continuity, whereas there is also scope to locate additional mineralisation around the periphery of the mined portion of the Lady Shenton lode. There is also scope to deepen the existing open cut over a portion of the western Lady Shenton lode in the area of the ramp, but a wall failure and backfilling of other portions of the combined pit may limit further economic open pit extraction of the other two lodes.

Resource Estimate

262 rotary air blast holes (RAB) and over 200 reverse circulation (RC) holes were drilled. A resource report was produced by Asarco Australia Ltd using a lower cut of 1.5 g/t gold for reporting of ROM grade only, an upper cut of 10 g/t gold and a metallurgical recovery of 90% was assumed for the resource estimation. Later work used a top cut of 15 g/t gold for mineralisation.

5.8 LADY HARRIET

The Lady Harriet pit (Figure 5.5), mined by open cut methods, is located approximately 2.5 km to the south of the Lady Shenton Pit and 3 km north of the Yunndaga pit on mining lease M29/153.

Historically (1896-1922), Lady Harriet produced 12,000 tonnes of ore by underground methods, yielding 8,500 ounces of gold at an average grade of 22 g/t gold. The mineralisation is hosted within amphibolite rocks and consists of quartz veins with alteration selvedges, which plunge to the south-west. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite. Recent open pit mining saw 193,184 tonnes of ore removed at a grade of 3.1 g/t gold for 21,212 ounces.

Mineralisation

The Lady Harriet mineralisation is largely hosted by amphibolite. A quartz-biotite-sericite altered metasedimentary unit is developed along the western edge of the mineralised zone. Intrusive feldspar porphyry bodies are also present, but are not significantly mineralised. The main historically mined ore shoot plunges at 20°-30° to the south-southeast at the convergence of 3 shear zones. Mineralisation occurs within a series of brittle quartz veins. Additional small plunging mineralised zones occur 100 metres south of the pit and a narrow, steeply dipping quartz-biotite-pyrite zone, thought to represent the extension of the Lady Harriet ore zone continues for 50 metres to the north.

Resource Estimate

88 RC holes were drilled at Lady Harriet in 1997. A resource estimate was completed using a top cut of 15 g/t gold for mineralisation.

5.9 SOUTH DUMP

The South Dump deposit lies approximately 1 km to the north-west of the Lady Harriet pit (Figure 5.5) where there are some old workings on mining lease M29/153. Historically these workings had little production and no production figures were found. South Dump is a south-westerly plunging lode hosted within amphibolite rocks and consists of quartz veining, up to 2 metres thick with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Resource Estimate

19 reverse circulation (RC) holes were drilled for 894 metres. A resource was estimated using a top cut of 15 g/t gold for mineralisation and a bulk density of 2.2t/m³.

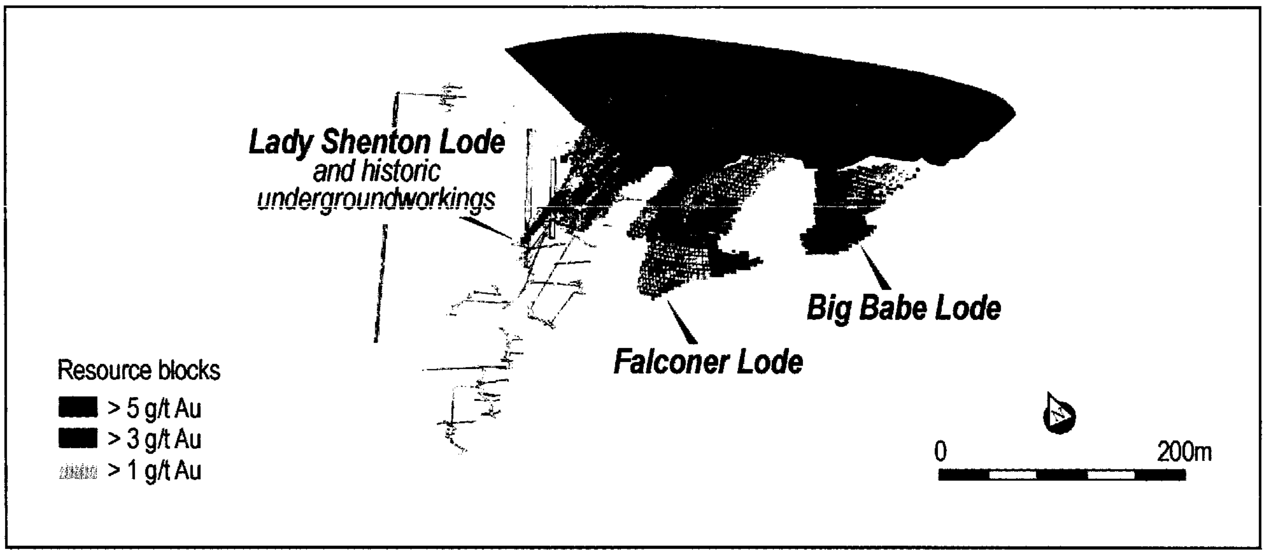

Figure 5.6: Lady Shenton pit showing remaining resource blocks

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5.10 YUNNDAGA

The Yunndaga pit (Figure 5.5), mined by open cut methods, is located approximately 6 km to the south of the Menzies township on mining lease M29/153.

Historically (1896-1943) Yunndaga produced 526,000 tonnes of ore by underground methods, yielding 270,000 ounces of gold at an average grade of 16 g/t gold. Recent open pit mining saw 800,000 tonnes of ore removed at a grade of 2.5 g/t gold for 64,300 ounces. The mineralisation is hosted within amphibolite rocks along the margin of the Yunndaga sedimentary package and consists of quartz veins with alteration selvedges that strike north-south, dip approximately 70° to the west and plunge to the south-west. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Mineralisation

Yunndaga remains the largest historically and recently mined ore body at Menzies. It is located six kilometres south of the Menzies township, adjacent to the railway line. Mineralisation occurs in discrete shoots hosted along the sheared and altered contact between a mafic amphibolite sequence to the east and amphibolitised felsic volcaniclastics/shales to the west. The host structure at Yunndaga strikes near north-south and dips moderately to steeply (60°-70°) west.

Mineralisation at Yunndaga is hosted within a biotite-quartz-chlorite alteration zone, on the contact between an amphibolite sequence to the east and felsic volcaniclastics/shales (Yunndaga Sediments) to the west. Several felsic porphyry units are also present. Situated in the highest strain part of the Menzies Shear Zone, Yunndaga exhibits a ductile deformation style and consequently strong down-plunge continuity. Several late, sinistral, east-west faults cross the northern end of the pit. Most of the gold is hosted in quartz lodes parallel to stratigraphy and sinistral shear bands. Quartz stringer veins also occur within quartz-sericite alteration zones within sedimentary units.

Historic mining occurred to 600 metres down plunge. Numerous exploration programs have sought repetitions along strike to the south from Yunndaga without success. Up to 60 metres of transported regolith have been recorded in this drilling south of Yunndaga.

The principal ore shoot mined in the early 1900's was the Princess May Shoot which extends for 100-120 metres along strike with an average thickness of one metre in the top 300 metres and a slightly thicker two metres in the lower 300 metres of the mine. The shoot was mined for 600 metres down plunge in two main sub-zones. A series of narrower and less continuous shoots and quartz stringer zones occur in the hangingwall to the Princess May shoot and along the strike of the Yunndaga shear. These are present over the full strike length of the existing open cut. The most significant of these occurs approximately 500 metres north of the Princess May shoot where the pit was deepened to 110 [illegible]

From grade control and deeper RC and diamond drilling, an area at the northern limit of the Yunndaga open pit is highlighted as having potential to host a depth extension that could be exploited via a short decline from the base of the pit. The zone between 10700mN and 10820mN is a possible replica of the Princess May shoot and was tested by RC and diamond drilling on 20m to 40m spaced lines to 180m below the limit of the open pit (approximately 290m below surface). A total of 30 drill holes targeted this area with a number of these successfully testing the projected shoot position. Selected significant results from this work are included in Table 5.7 and a long-section shown as Figure 5.7.

TABLE 5.7 YUNNDAGA – SIGNIFICANT DRILLING RESULTS

Hole	Section	From (m)	To (m)	Interval (m)	Grade (g/t Au)
MZRC0386	10560N	140	141	1	9.5
MZRC0388	10620N	136	138	2	9.1
MZRC0390	10740N	141	145	4	10.5
MZRC0362	10760N	158	159	1	13.5
MZRC0362	10760N	165	166	1	9.9
MZRC0363	10800N	132	134	2	23.7
MZRC0364	10800N	150	152	2	16.0

The deeper holes drilled beneath the base of the pit showed strong grade variability with the bulk of the ore-grade intercepts developed in the uppermost 50m below the existing pit. There remains potential to outline a shoot in this northern position that could be exploited from underground.

Elsewhere along over 500m of the Yunndaga structure, there are a number of other zones where grade control and limited deeper drilling has indicated potential for the definition of further small shoots or ore pods.

There is also scope to extract mineralisation within the area of the historical Princess May workings at the southern end of the Yunndaga pit. These areas could be quickly accessed by decline from the pit base. A resource estimate of 830,000 tonnes at 2.42 g/t gold for 64,500 ounces was made (Figure 5.8).

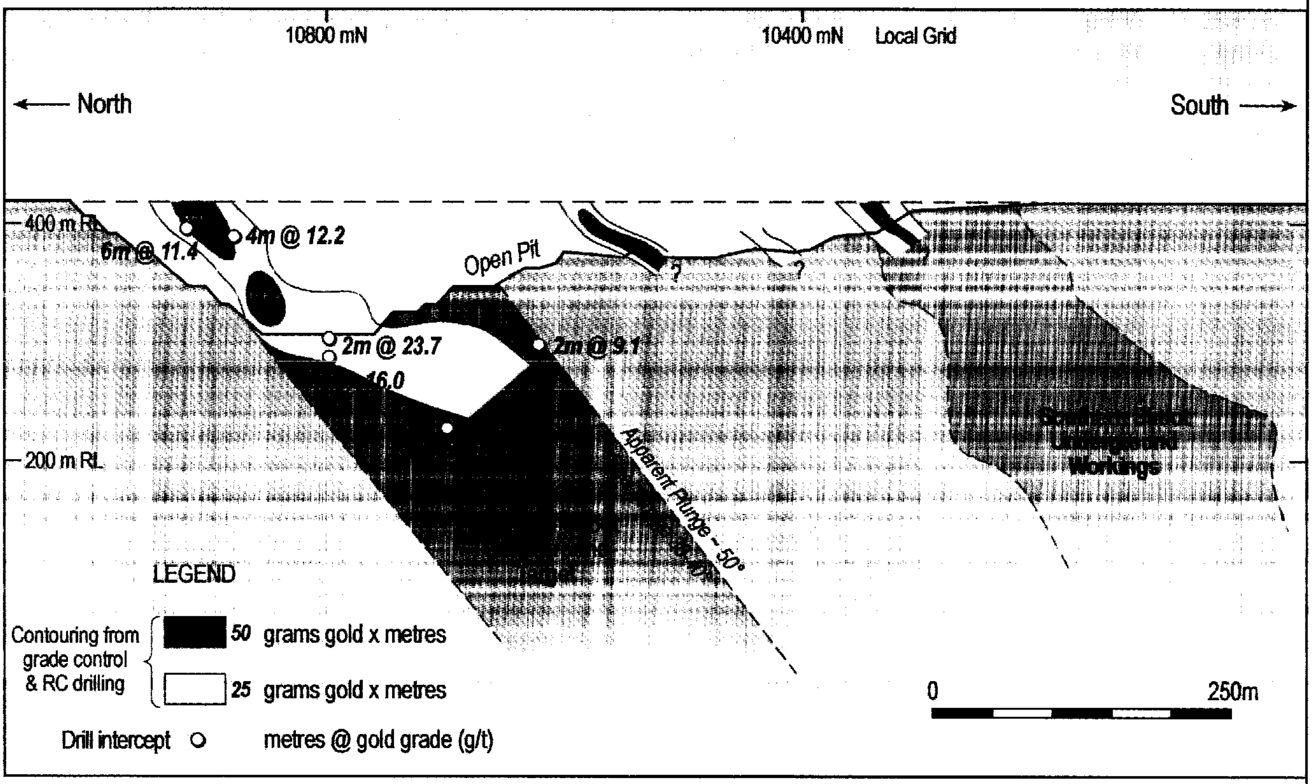

Figure 5.7: Yunndaga long section, showing southern and northern shoot positions

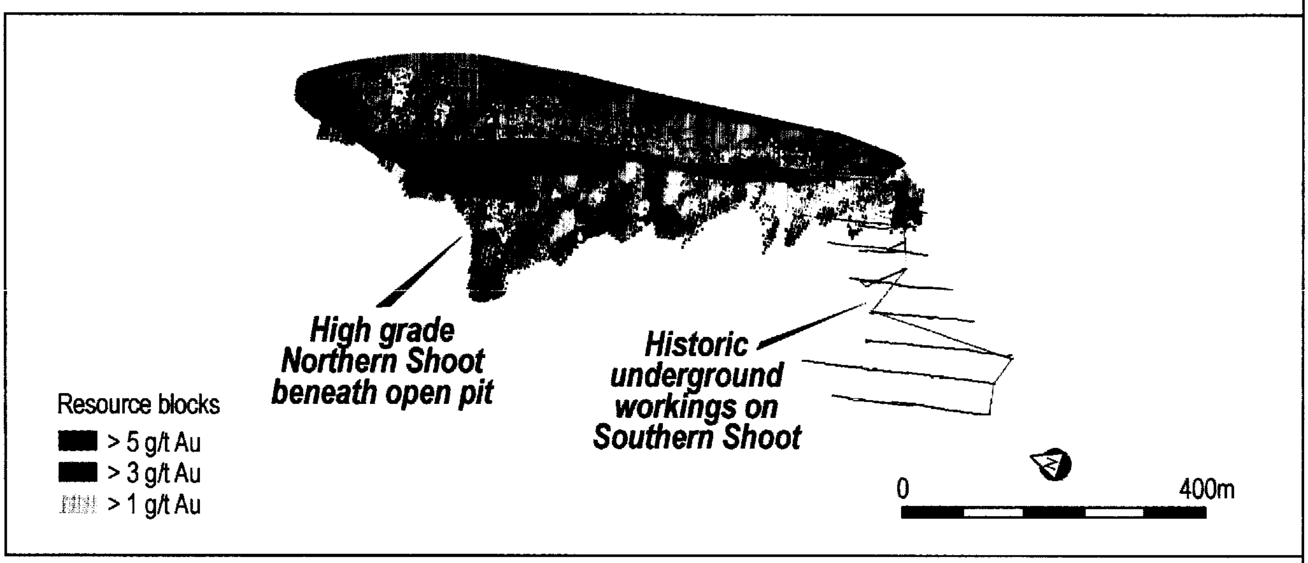

Figure 5.8: Yunndaga pit showing remaining resource blocks

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Resource Estimate

166 RC holes were drilled at Yunndaga before 1994 by Julia Mines and Asarco Australia Ltd. A resource report was produced by Asarco Australia Ltd. This report used a lower cut of 1.5 g/t gold for reporting of ROM grade only, an upper cut of 10 g/t gold. Later work used a top cut of 16 g/t gold for mineralisation.

5.11 ASPACIA

The Aspacia prospect lies approximately 500 m to the west of the First Hill pit (Figure 5.5) where there are some old workings on mining lease M29/14. Historically (1897-1948) the deposit was intensively mined by underground methods and produced 9,313 tonnes of ore with a grade of 35.7 g/t gold for 10,731 ounces. Aspacia is a south-westerly plunging deposit hosted within amphibolite rocks and consists of quartz veining, up to 2 metres thick with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Resource Estimate

14 reverse circulation (RC) holes were drilled for 610 metres. A resource was estimated using a top cut of 15 g/t gold for mineralisation and a bulk density of 2.2t/m³.

5.12 WARRIOR

The Warrior prospect lies approximately 1 km north of the Lady Harriet pit (Figure 5.5) where there are some old workings on mining lease M29/153. Historically (1898-1944) Warrior was mined by underground methods and produced 12,300 tonnes of ore with a grade of 18 g/t gold for 7,020 ounces. Warrior is a south-westerly plunging lode hosted within amphibolite rocks and consists of several small pods of quartz veining, up to 2 metres thick with a small alteration selvedge. Pyrite and arsenopyrite are the dominant minerals with some chalcopyrite, galena and sphalerite.

Resource Estimate

50 reverse circulation (RC) holes were drilled for 3,130 metres under the main Warrior workings. A resource was estimated using a top cut of 15 g/t gold for mineralisation and a bulk density of 2.2t/m³.

5.13 LADY IRENE

The Lady Irene deposit lies approximately 9 km north of the Menzies township (Figure 5.1) on mining lease M29/212 and was discovered by Julia Mines NL in 1998. There was no historic mining at Lady Irene, with recent open pit mining by Julia Mines in 2001 producing 42,721 tonnes of ore with a grade of 4.77 g/t gold for 6,552 ounces.

Lady Irene consists of two south-plunging shoots on the contact between steep westerly dipping komatiite and high magnesium basalt. This sheared contact is marked by a 1 to 5 metre thick quartz vein and gold mineralisation is generally associated with the footwall vein alteration selvedge. The upper levels of the resource (0-30 metres depth) show supergene enrichment and dispersion of the lodes to 10-12 metres width. There is a marked zone of depletion between 50 to 70 metres, with weathering to 80 metres depth.

Mineralisation

Gold mineralisation was mined in two open pits to a depth of 36 metres in late 2002 (Figure 5.9). A total of 42,721 tonnes @ 4.77 g/t (6,552 ounces) gold was recovered and toll treated at the Sons of Gwalia owned Leonora mill. The Lady Irene mineralisation occurs within two 45° south plunging shoots situated on the contact between steeply south westerly dipping ultramafic schists and amphibolitised basalt. A quartz vein, up to 5 metres wide is developed along the sheared contact with gold mineralisation developed within the footwall selvage of the vein. The ore zone is generally less than 2 metres wide, but zones up to 10-12 metres wide were mined in the uppermost, supergene-enriched zone of the pit. The ore zone lenses out or is depleted between 50 metres and 70 metres below surface, but redevelops below this level. The main ore shoot extends over an 80 metre strike length and remains open at depth below 150 metres.

The deposit represents a recent virgin discovery in an area where soil and colluvial cover masks the underlying bedrock geology.

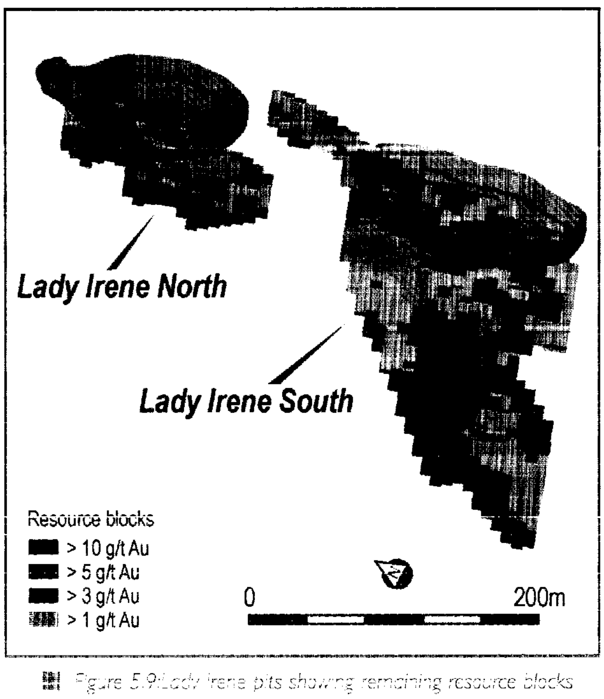

Figure 5.9: Lady Irene pits showing remaining resource blocks

Resource Estimate

202 reverse circulation drill holes containing 3,102 samples were used in the resource estimate using the following parameters:

Bulk density – oxide .... 1.7 t/m³
Bulk density – transition .... 2.3 t/m³
Bulk density – fresh .... 2.7 t/m³
Inverse distance cubed weighting .... IDW³
Block size .... 6mN x 4mE x 2mRL
Top cut (high-grade) .... 30 g/t gold
Lower cut-off .... 1 g/t gold
Search ellipse .... 60-80m radius, plunge 45° south

6 EXPLORATION & DEVELOPMENT POTENTIAL

6.1 DEVELOPMENT OF HIGH-GRADE UNDERGROUND AND OPEN PIT RESOURCES

There are a number of high-grade resources that could be developed using underground mining methods from the bottom of existing open pits. The most likely resources are at First Hit and Selkirk, however potential also exists at Yunndaga and Lady Shenton.

A detailed study would be needed to determine the economics of any such development.

The structural setting, where gold mineralisation is associated with consistently south plunging structures (which are demonstrated to be very continuous at Yunndaga, 600m depth, Lady Shenton, 210m depth and First Hit, 300m depth), suggests that if more structures exist these too may be continuous at depth. There is ample evidence at a number of deposits that gold mineralisation extends at depth, and this is a similar setting to a number of other gold fields such as the Leonora camp (Sons of Gwalia and Harbour Lights), Mt Martin, Jubilee, and New Celebration.

- At Yunndaga for example, there is strong evidence from drilling and grade control sampling in the open pit that a sizeable shoot exists beneath the northern end of the open pit.
- At First Hit there are high-grade resources accessible from the bottom of the pit in a number of lode positions, and given that previous workings extended to 300m depth, it is likely that similar depth continuity will exist on these other lodes.
- The three lodes at Lady Shenton (Lady Shenton, Falconer and Big Babe) all show evidence of extension at depth from drilling and grade control in the pits.

The high-grade shoots in the Menzies field have demonstrated down plunge grade continuity, and it is not unreasonable to expect that there is the potential for defining more mineralisation accessible by underground mining methods.

Table 5.5 lists the existing resources at Menzies. Some of these exist below or adjacent to existing open pits, and it may be possible to exploit them by open pit methods, either by cut backs to existing pits or development of new pits. Not all of the resources listed are associated with previous mining activities and potential exists for further development.

There were at least 13 significant historic underground workings in the Menzies field and the existing open pits were developed adjacent to 6 of these. The other zones of old workings warrant further investigation for open pit resources.

TABLE 5.8 HIGH GRADE RESOURCES

Prospect	**Measured**		**Indicated**		**Inferred**		**Total**		
	Tonnes	**Grade**	**Tonnes**	**Grade**	**Tonnes**	**Grade**	**Tonnes**	**Grade**	**Ounces**
First Hit	4,500	13.20	7,500	10.50	8,000	8.60	20,000	10.35	6,654
Selkirk	-	-	8,066	12.12	10,000	6.40	18,066	8.95	5,201
Total	**4,500**	**13.20**	**15,566**	**11.34**	**18,000**	**7.38**	**38,066**	**9.69**	**11,855**

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6.2 SURFACE DRILL TARGETS

New surface drill targets have been developed for the area based on data available from the Goldfields (now Placer Dome) exploration database, shown on Figures 5.10 and 5.11.

6.2.1 RAB/RC DRILLING TARGETS

There are 10 areas where initial shallow RAB or RC drilling has returned anomalous results that require further infill testing. These areas are shown on Figure 5.10 and are summarised below.

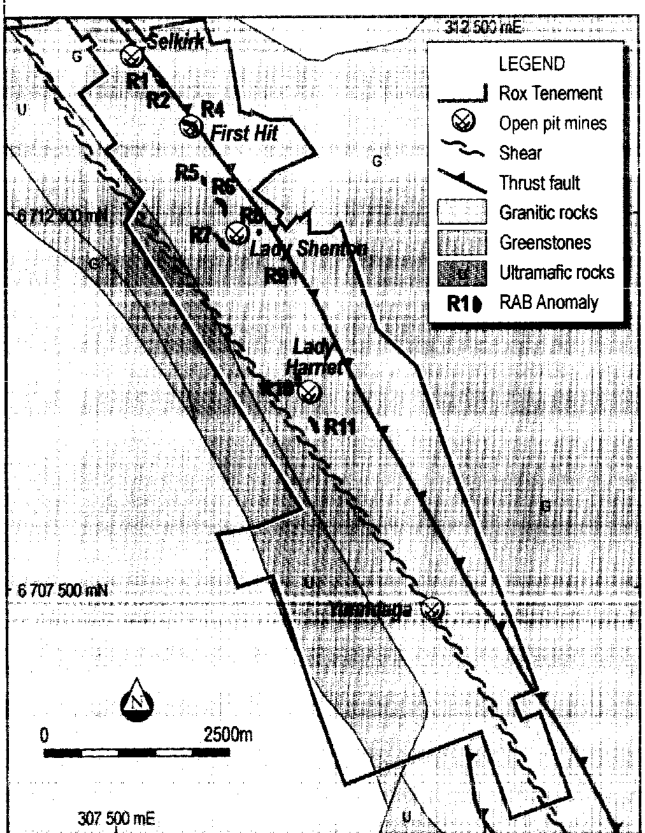

Figure 5.10: RAB/RC Target Locations

Targets R1 and R2 (Lady Sherry)

These RAB anomalies lie immediately north and south of the Lady Sherry deposit, on the Selkirk mineralisation trend, between the First Hit and Selkirk pits. The intervening area is a resource outlined by shallow RC drilling, giving the whole target a length of 300m. Whilst the anomaly is covered by numerous small mullock dumps and is traversed by the Mt Ida road, this area requires further attention. RAB values of **2m at 16.0 g/t** from 26m depth and **5m at 6.35 g/t** gold from surface have been obtained and RC composite values of **2m at 10.5 g/t** gold have been drilled in this area. Additionally, a coincident MIP anomaly is situated over the Lady Sherry deposit.

Target R4 (Queensland Menzies)

This 250m long RAB anomaly is situated on the south-western end of the Queensland Menzies pit, on the Selkirk trend. Intersections include **3m at 6.8 g/t** gold from 15m, and **9m at 2.0 g/t** gold from 36m. According to the database, there is no deep drilling outside of the pit outline.

Target R5 (Friday Balkis)

This target is 130m long and lies on the Lady Shenton trend near Friday Balkis, and it may lie adjacent to tailings or waste dumps in this area. One intersection of **1m at 11.7 g/t** gold from 21m depth was obtained, with several intersections of **1m at 1-1.5 g/t** gold.

Target R6 (Lady Shenton North)

Situated immediately north of the Lady Shenton lode near a low-grade stockpile, this 250m long anomaly includes an end of hole intersection of **2m at 6.2 g/t** gold from 48m depth, possibly in old workings, and **6m at 2.04 g/t** gold from 24m depth.

Target R7 (Lady Shenton West)

This 250m long RAB anomaly lies on a line of workings between the Yunndaga and Shenton trends. Including **3m at 5.1 g/t** gold from 18m depth and **4m at 2.44 g/t** gold from 21m depth, the northern half of the target lies under the Lady Shenton waste dump.

Target R8 (Uncle Dick)

Although, only over a small area south of Falconer this anomaly includes intersections such as **6m at 8.5 g/t** gold from 12m depth and **3m at 6.1 g/t** gold from 15m depth.

Target R9 (Golden Age)

This 200m long RAB anomaly lies on the Selkirk trend near Golden Age, in a structurally complex area. The area is hosted by structurally repeated ultramafic units and porphyries and is cut by late east-west and north-south faults. Ground checking indicated lots of small workings. RAB drilling and some RC drilling. Intersections include **2m at 7.7 g/t** gold from 24m depth, **2m at 5.6 g/t** gold from 8m depth, and **1m at 12.0 g/t** gold from 36m depth.

Target R10 (Lady Harriet Tailings)

These holes were drilled over the Lady Harriet tailings and include **12m at 1.65 g/t** gold from 6m depth.

Target R11 (Lady Harriet South)

This RAB anomaly is south of the Lady Harriet pit, with very little deep drilling. RAB drilling to date includes **6m at 2.8 g/t** gold from 30m depth. Nearby three RC holes intersected **6m at 7.6 g/t** gold from 52m depth, **2m at 20.1 g/t** gold from 104m depth, **2m at 10.7 g/t** gold from 40m depth and **7m at 9.7 g/t** gold from 48m depth, which have not been followed up.

6.2.2 SOIL ANOMALY TARGETS

Ten discrete gold-in-soil anomalies, outside of the known resource areas, have been identified. These lie along both the Yunndaga and Lady Shenton trends and correspond with broad zones of elevated arsenic results. The main areas of anomalism are concentrated between the Lady Shenton and Lady Harriet pits with additional zones of moderate to strong soil anomalism located along strike to the north and south (Figure 5.11). Gold values to 200 ppb are associated with these anomalies. Many of these anomalies have been subjected to only limited effective drilling.

Two arsenic trends, based on >500 ppm RAB data, are defined in the Menzies West area. The strongest follows the western side of the Menzies Shear Zone, centred on the Yunndaga trend. Another arsenic trend is suggested on the eastern side of the shear zone, although perhaps not as high in tenor, enveloping the Selkirk and Lady Shenton gold mineralisation trends. Less arsenic data exist along the eastern trend.

Although Rox's tenement area contains about 200 old workings, as well as tailings and mullock dumps, the auger soil data collected by Goldfields are assumed to be reasonably free of contamination. The depth of sample is generally greater than one metre and strongly disturbed areas appear to have been avoided. Soil anomalies were produced using a 100 ppb gold contour.

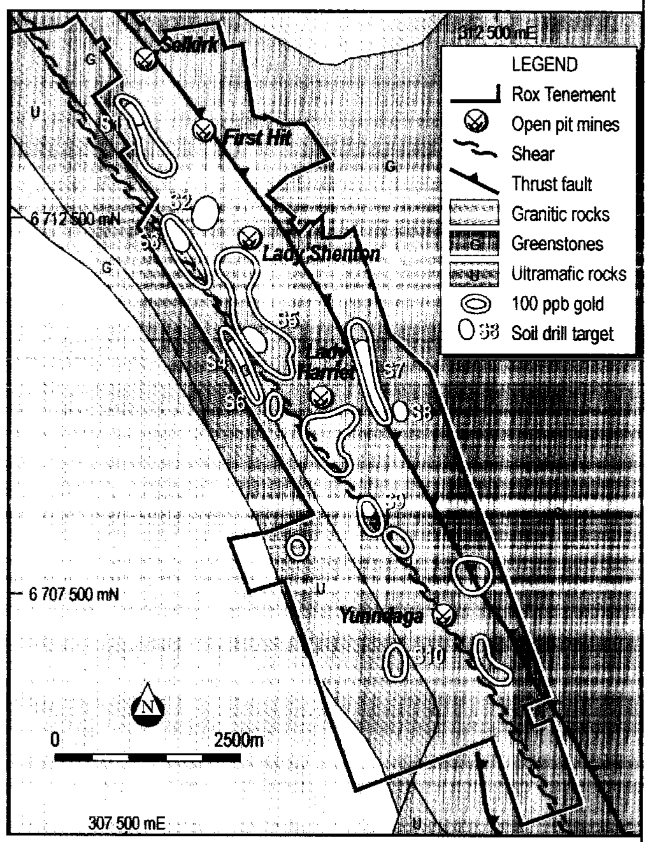

Figure 5.11: Soil Anomaly Locations

Target S1

Measuring approximately 350m x 200m and situated on the Yunndaga trend between the Aspacia deposit and the First Hit waste dump (Figure 5.11), this auger anomaly lies on the Yunndaga arsenic trend (Figure 5.5). Soil values reach 195 ppm gold. A number of porphyries are mapped at surface in the Aspacia area, known to host mineralisation at Lady Shenton to the east. Numerous shafts and pits exist over the anomaly area, however no evidence of RAB drilling was seen. Cleared lines evident in the northern end of the anomaly on the orthophoto have been rehabilitated and appear to be old trenches.

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Target S2

This anomaly measures about 350m x 250m and is situated on the Yunndaga trend (Figure 5.5), immediately north of the Lady Shenton waste dump (Figure 5.11). The anomaly forms a low hill in a clear area. This soil anomaly was covered at the northern and southern ends by two RAB lines of 2-5m deep auger holes or very shallow RAB, essentially soil samples. Deeper anomalous RAB holes drilled on the western side of the anomaly indicate 7-8m of transported overburden. One RAB hole yielded **1m at 5 g/t** gold with numerous other 4 metre composites at around 0.5 g/t gold.

Target S3

This soil anomaly (Figure 5.11) lies west of the Yunndaga arsenic and mineralised trends (Figure 5.5), within the Yunndaga sediments. It is situated on the interpreted position of the main Menzies Shear according to regional magnetics. Measuring 600m x 250m, this anomaly contains gold values to 194 ppb gold. The east--west fault zone at the northern end of Lady Shenton passes through the northern end of the anomaly. There is no RAB drilling over this anomaly which is in an open sheet wash area with no old workings. A single RAB line at the southern end of the anomaly indicates about 5 metres of transported overburden.

Targets S4 and S6

These targets (Figure 5.11) belong to the same narrow, 1 km long soil anomaly situated along a bedding contact west of the Menzies Shear Zone. The anomaly lies on a gabbro/sediment contact close to a major, regional, mineralised shear zone, in an area cut by (interpreted) north northeast late dextral faults. Previous wide spaced RAB drilling by Goldfields Exploration through the centre of the anomaly gave low gold values, however the contact area should be drilled with a closer spacing (80m x 40m). Gabbro outcrop and quartz float occur to the east, and shallow cover and minor workings occur over the anomaly area.

Target S5 (Western Warrior)

This is an extensive >100 ppb soil anomaly (Figure 5.11) within transported cover and within the Yunndaga arsenic anomaly (Figure 5.5), extending from the Lady Shenton waste dump south to the Lady Harriet waste dump. RAB drilling has effectively tested most of this area and the S5 target represents the remaining area not drilled, west of the Warrior deposit. Situated in the Yunndaga stratigraphic setting, at the contact between sediments and felsic schists, the anomaly contains a **22 g/t** gold soil result at the north-eastern end and a **4.6 g/t** gold RAB intersection towards the south, within **5m at 2.3 g/t** gold which appears not to have been tested by deep drilling. The target measures 500m x 150m.

Target S7

Measuring 1,100m x 100m, this target (Figure 5.11) is situated within the Lady Shenton mineralised trend (Figure 5.5), east of Lady Harriet. The anomaly has only been drilled by a few holes at the Little Finger prospect and a single RAB line extending east from Lady Harriet.

Target S8

This is a small soil anomaly (Figure 5.11) located east of the railway line, centred on some old workings on an ultramafic contact. A **6.3 g/t** gold soil sample was collected close to an old shaft.

Target S9

Located on the Yunndaga mineralised trend (Figure 5.5) at its intersection with an interpreted regional north--northeast structure, this target measures 200m x 100m (Figure 5.11). A RAB hole on the north-western edge of the anomaly gave **1m at 1.36 g/t** gold at the end of hole. Three RC holes have been drilled in the centre of the anomaly, yielding a maximum value of **0.8 g/t** gold.

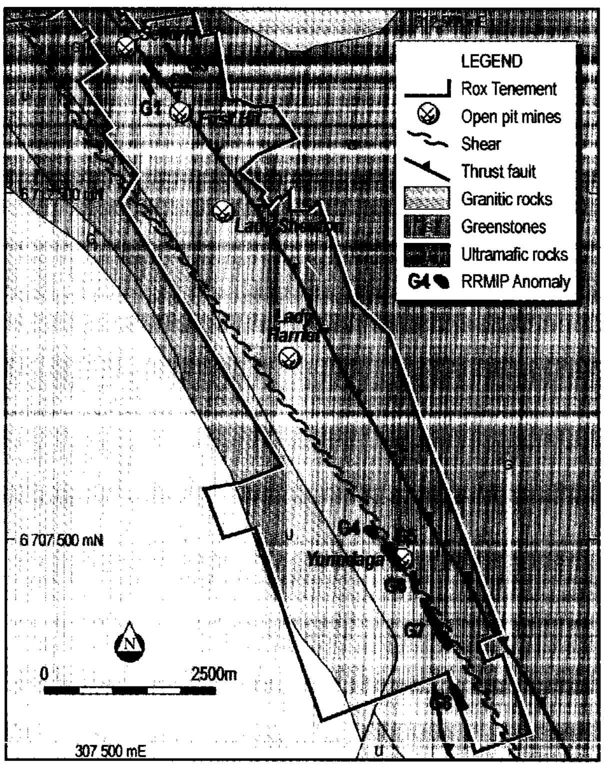
Target S10

This 350m x 150m soil anomaly (Figure 5.11) is situated at the north-western end of the Yunndaga waste dump, on an interpreted north-northeast trending fault in ultramafic rocks. A line of RAB drilling over a **23.5 g/t** gold soil value at the southern end of the anomaly gave low results.

6.2.3 GEOPHYSICAL ANOMALIES

A number of Rapid Reconnaissance Magnetic Induced Polarisation (RRMIP) anomalies were developed by Scintrex in the early 1980s, which appear on hardcopy plans in previous company reports. These were digitised to evaluate geological position and drill coverage. These anomalies were originally plotted on local grid maps. During digitising the anomalies were visually located on AMG maps using tenement boundaries and other features, so location errors may occur.

Three linear resistive chargeable RRMIP anomalies were produced in the Lady Sherry area, including one (G2) coincident with the mineralised trend (Figure 5.12). Anomaly G3 is considered to be the strongest anomaly.



■ *Figure 5.12: RRMIP Anomaly Locations*

A series of linear, resistive, chargeable RRMIP anomalies lie along the Yunndaga trend, over the Yunndaga pit and along strike to the south. Anomalies G4 and G5 coincide with Yunndaga North and Yunndaga South resources respectively, but are offset to the west slightly, probably due to the westerly dip of the alteration. Anomaly G6 is located adjacent to the main shaft (possibly Menzies Consolidated) near the low-grade stockpile. G7 and G8 are located on the western margin of the arsenic trend (i.e. west of the railway line), where there appears to be very little drilling.

7 EXPLORATION & DEVELOPMENT STRATEGY AND BUDGET

Rox have developed an exploration and development strategy that has three aims.

Development and extraction of high-grade resources (38,000 tonnes grading 9.7 g/t gold) from the bottom of open pits (e.g. First Hit and Selkirk) to generate cash flow in the near term.

Exploration for further open pit resources at undeveloped historic mining sites and at RAB and soil anomalies.

Exploration of high-grade shoots beneath open pits and old workings. This has the greatest potential for definition of large resources.

The detailed work program is presented below. It is conceptual in nature and will depend on success to move from one stage to the next. Flexibility in changing the program will be needed as results are received.

7.1 DEVELOPMENT AND EXTRACTION OF HIGH-GRADE RESOURCES

High-grade resources of almost 12,000 ounces exist at the bottom of the First Hit and Selkirk open pits. An economic and mining study is required to assess the viability of extracting these resources and toll milling them at one of the nearby gold treatment plants. The definition of the resources also needs to be assessed in terms of whether more drilling is required prior to mining. Additional drilling may also increase the size of the resources. An initial scoping study (estimated cost $30,000) is proposed for the first year.

If this initial scoping study establishes that extraction of these resources is economic, then development costs will need to be estimated.

7.2 IMMEDIATE DRILL TARGETS

Ten soil anomalies and ten RAB anomalies have been identified for further exploration. In addition, a number of historic underground workings have indications that open pit resources may be able to be developed adjacent to them. Investigations will involve detailed RC drilling to assess grade and structural continuity. An allowance for RC drilling, assay, rehabilitation and administration of 6,200 metres in year 1 and 6,400 metres in year 2 has been made. Using a unit cost of $50 per metre, total costs are estimated at $310,000 for year 1 and $320,000 for year 2.

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7.3 EXPLORATION OF HIGH-GRADE UNDERGROUND RESOURCES

Three high priority targets for extension of high-grade shoots beneath open pits are at Yunndaga, First Hit and Lady Shenton, based on the size of the historic shoots mined and the amount of information available to facilitate planning. A number of other high-grade underground targets exist, but more planning will be required before drill holes can be sited.

Initial drill testing of the shoots to 300 metres depth will take place in year 1, followed by deeper drilling to 600m depth in year 2 if warranted. Unit costs for RC/diamond drilling, assays, rehabilitation and administration are estimated at $120 per metre.

An allowance of 2,400 metres ($290,000) is estimated in year 1 and 3,400 metres ($410,000) in year 2.

DoIR rents and Shire rates amount to $66,611 per annum, and DoIR expenditure commitments are $372,700 per annum. This budget will be sufficient to keep the tenements in good standing.

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9 GLOSSARY OF TECHNICAL TERMS

Airphoto	Photographs of the earths surface taken from an aircraft.
Aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earths magnetic field.
Alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
Amphibolite	A medium grained igneous intrusive rock dominated by the mineral amphibole, generally with an orientated fabric.
Amphibolite facies	An assemblage of minerals formed at moderate to high temperatures (450°C to 700°C) during regional metamorphism.
Andalusite	An aluminium silicate mineral formed at moderate temperatures or pressures.
Anomalies	An area where exploration has revealed results higher than the local background level.
Anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
Arsenopyrite	Arsenic-bearing iron sulphide.
Assayed	The testing and quantification metals of interest within a sample.
Au	Chemical symbol for gold.
Auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
Basalt	A fine grained, glassy, mafic volcanic rock.
Base metals	A non-precious metal, usually referring to copper, lead and zinc.
Bedrock	Any solid rock underlying unconsolidated material.
Biotite	A brown to black mica.
Boudinage	A rock texture produced by stretching of a rock along its bedding plane. Looks like a string of sausages.
Brittle	Rock deformation characterized by brittle fracturing and brecciation.
Chalcopyrite	Copper-bearing iron sulphide.
Chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
Chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
Clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
Colluvial	Weathered material transported by gravity, e.g. scree.
Copper	A reddish metallic element, used as an electrical conductor an the basis of brass and bronze.
Depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
Detrital	Particles or minerals derived from pre-existing rock by processes of weathering and/or erosion.
Diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
Digitised	Transfer of data from paper to digital form (e.g. for use in computers).

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Dilation	Open space within a rock mass commonly produced in response to folding or faulting.
DoIR	Department of Industry and Resources, WA.
Ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
Dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
En-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
Erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.
Fault zone	A wide zone of structural dislocation and faulting.
Feldspar	A group of rock forming minerals.
Felsic	An adjective indicating that a rock contains abundant feldspar and silica.
Ferricrete	Surface gravels cemented by iron oxides.
Folding	A term applied to the bending of strata or a planar feature about an axis.
Foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
Follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard unit for the concentration of precious metals in a rock.
Gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
Galena	An ore mineral of lead, lead sulphide
Geochemical	Pertains to the concentration of an element.
Geophysical	Pertains to the physical properties of a rock mass.
Granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
Granitoid	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
Granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
Greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
Greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
Hangingwall	The mass of rock above a fault, vein or zone of mineralisation.
Hinge zone/line	A zone/line along a fold where the curvature is at a maximum.
Hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
Igneous	Rocks that have solidified from a magma.
Infill	Refers to sampling or drilling undertaken between pre-existing sample points.
Insitu	In the natural or original position.
Intrusions	A body of igneous rock which has forced itself into pre-existing rocks.

Intrusive contact	The zone around the margins of an intrusive rock.
Joint venture	A business agreement between two or more commercial entities.
Komatiite	Magnesium-rich mafic to ultramafic extrusive rock.
Laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
Lead	A metallic element, the heaviest and softest of the common metals.
Lineation	A one-dimensional feature in a rock, or on a rock surface, e.g. linear arrangement of minerals, intersection of two planar structures, micro-folds, striations or slickensides.
Listric	Spoon shaped. Curved fracture planes within a rock, e.g. a fault plane which curves in a concave fashion.
Mafic	General term for a rock bearing iron and magnesium rich (ferromagnesian) minerals (strict term would be melanocratic).
Metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
Metasedimentary	A rock formed by metamorphism of sedimentary rocks.
Mineral lineation	Linear alignment of minerals in a rock.
MMI	The collection of soil samples and their analysis, using weak extractive reagents, to determine the relative abundance of loosely attached trace elemental ions, which frequently define the position of primary mineralisation.
Monzogranite	A coarse grained granitic rock bearing quartz and feldspar.
Mullock	Waste material from mines, usually piled at the surface near old underground workings.
Muscovite	A white mica.
Nickel	Silvery-white metal used in alloys.
Nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
Open cut	A mine working or excavation open to the surface.
Open pit	A mine working or excavation open to the surface.
Orthophoto	An airphoto that can be used to determine relative ground levels for production of topographic contour maps.
Outcrop	Surface expression of underlying rocks.
Peridotite	A rock consisting predominantly of olivine.
Porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low level concentration.
ppm	Parts per million; the usual unit of measure for gold concentration in soil samples.
Prograde	The term applied to metamorphism of a rock as it is being heated or put under pressure beneath the Earth's crust.
Psammite	Term applied to metamorphosed detrital sedimentary rocks, such as sandstones and siltstones.
Pyrrhotite	A form of iron sulphide.
Quartz	A mineral composed of silicon dioxide.

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RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
Regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
Resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
RRMIP	Rapid Reconnaissance Magnetic Induced Polarisation. A geophysical technique to locate sulphide mineralisation.
Saprock	Zone of weathered rock preserved within the weathered profile.
Saprolite	Disintegrated, insitu rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
Schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
Scoping study	The first step in the study of a project when the information at hand is not very accurate. This study is undertaken using a number of reasonable assumptions about certain variables (e.g. costs) to determine whether collecting further information about a project is worthwhile (i.e. is the expenditure justified) before progressing to the pre-feasibility or feasibility stage.
Sedimentary	A term describing a rock formed from sediment.
Sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
Serpentinite	A rock composed primarily of serpentine, a hydrous magnesium silicate mineral, usually a product of the metamorphism of a peridotite or other ultramafic rock..
Shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
Sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
Sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
Silica	Silicon dioxide, usually found as the various forms of quartz.
Sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
Silt	Fine-grained sediments, with a grain size between those of sand and clay.
Sinistral	A term applied to fault movement, in this case where the two sides each appear to have moved to the left.
Slickensides	Linear grooves and ridges developed parallel to the direction of movement when one rock surface moves over or against another. Commonly seen on fault structures.
Soil sampling	The collection of soil specimens for mineral analysis.
Sphalerite	The main zinc ore, zinc sulphide.
Sterilisation	Drilling undertaken to determine that no mineralisation is present in an area before infrastructure is put in place (usually a waste dump or some other infrastructure that cannot be moved easily or cheaply)

Strata	Sedimentary rock layers.
Stratigraphy	Composition, sequence and correlation of stratified rocks.
Strike	Horizontal direction or trend of a geological structure.
Sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
Supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
Syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
Talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
Tectonostratigraphic	The apparent stratigraphy in an area that may have been affected by faulting.
Thrust	A reverse fault or shear that has a low angle inclination to the horizontal.
Tonne	The metric measure for 1000 kilograms.
Tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
Ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
Veins	A thin infill of a fissure or crack, commonly bearing quartz.
Volcaniclastics	Pertaining to clastic (sedimentary) rock containing volcanic material.
Volcanic	Formed or derived from a volcano.
Volcanogenic	Formed or derived from a volcano. Usually refers to sediments that are composed of volcanic material.

Solicitor's Report on Mining Tenements

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13 February 2004

The Board of Directors
Rox Resources Limited
Ground Floor, 1 Havelock Street
WEST PERTH WA 6005

Dear Sirs

This report is prepared for inclusion in a prospectus to be issued by Rox Resources Limited (Company) on or about 16 February 2004 (Prospectus).

6.1 ASSETS

As at the date of this report, the Company has entered into agreements with various parties (Agreements). Under the Agreements, the Company is entitled, subject to completion of the Agreements, to acquire an interest in various granted mining tenements and in various applications for the grant of mining tenements (all granted mining tenements and all applications, collectively referred to as the Tenements). The material terms of the Agreements are summarised in Section 9.3 of the Prospectus.

A schedule of Tenements is attached to and forms part of this report (Schedule). Part I of the Schedule contains a list of the Tenements in which the Company has an interest at the date of this report. Part II of the Schedule contains a summary of the status of the native title claims existing over the Tenements.

6.2 SEARCHES

For the purposes of this report, we have conducted searches and made enquiries in respect of all the Tenements as follows:

(a) we have reviewed searches of the Tenements in the register maintained by the Western Australian Department of Industry and Resources (DIR). These searches were conducted on 8 January 2004. Updated searches of the Tenements were obtained on 9 February 2004 to confirm that no changes had occurred in respect of the Tenements since the initial searches were conducted;

(b) we have reviewed all transfers of the Tenements and all agreements lodged pursuant to the transfers to ascertain whether any obligations are imposed on the holder of the Tenement by virtue of the terms of an agreement despite them not being registered as an encumbrance on the Tenement;

(c) we have obtained "Quick Appraisals" reports from DIR, summarising information available in the "TENGRAPH" system maintained by DIR to determine if any native title claims are registered over the area of the Tenements. These searches were conducted on 9 January 2004. Updated searches were also conducted on 9 February 2004 to confirm that no relevant changes had occurred in respect of the claims since the initial searches were conducted; and

(d) we have obtained a register of extracts from the Register of Native Title Claims maintained by the National Native Title Tribunal (NNTT) in respect of registered native title claims identified in the Quick Appraisals. This material was obtained on 14 January 2004. Updated searches were conducted on 10 February 2004 to confirm that no relevant changes had occurred in respect of the claims since the initial searches were conducted.

The Company's right to acquire an interest in the Tenements depends on the enforceability of the Agreement and the parties to the Agreement complying with and fulfilling the terms and conditions of such Agreement. On the basis of the searches conducted and our review of the Agreement, subject to the enforceability of such Agreement, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date of this report.

Where the Schedule refers to a granted Tenement in which the Company is not recorded as being registered as the holder of a legal interest, the Company may lodge a caveat to protect its interest and we have advised the Company to do so in order to protect its prior equitable claim to an interest in the Tenement.

In addition, we have advised the Company to register the Agreement against the Tenements to ensure compliance with the requirement of the Mining Act 1978 (WA) (Mining Act) to register dealings in Tenements.

6.3 OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are satisfied that, as at the date of the relevant searches:

(a) the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;

(b) where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule and the Notes;

(c) all applicable rents due under the Mining Act in respect of the Tenements have been paid, unless otherwise noted in the Schedule;

(d) all expenditure requirements under the Mining Act have been met or exemptions obtained, unless otherwise noted in the Schedule;

(e) under the terms and conditions of the Agreement, the Company has the right to acquire an interest in the Tenements on the terms set out in the Agreement, subject to the matters referred to in this report or the Schedule; and

(f) Tenements granted prior to 1 January 1994 have been validated by the Native Title Act 1993 as amended by the Native Title Amendment Act 1998 (Cth) (which as amended is referred to as the NTA). The valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the NTA.

6.4 TENEMENTS

The Tenements comprise mining leases and miscellaneous licenses granted or applied for under the Mining Act.

(a) Mining Lease

A mining lease remains in force for a period of 21 years and may be renewed for successive periods of 21 years. It is a breach of a condition of a mining lease to assign it without the prior written consent of the Minister. In the case of a mining lease application which is a conversion from either a prospecting licence or an exploration licence, if the underlying licence is assigned, the mining lease application continues in the name of the assignee.

(b) Miscellaneous Licence

A miscellaneous licence is an ancillary tenement, which may be granted over land that is the subject of an existing mining tenement. A miscellaneous licence is a licence for any prescribed purpose including road or tramway licence, a pipeline licence, a power line licence and a water licence, and remains in force a period of 21 years (if applied for after 6 June 1998). A miscellaneous licence is granted on the same conditions as are applicable to a prospecting licence.

(c) Generally Applicable Conditions

Mining tenements are granted subject to various conditions prescribed by the Mining Act including payment of rent, compliance with minimum expenditure and reporting requirements.

Certain conditions that apply to one or more of the Tenements include standard environmental conditions. The Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the notes to the Schedule.

(d) Specific Conditions

Specific conditions applicable to the individual Tenements are detailed in the notes to the Schedule.

(e) Encumbrances

Encumbrances and caveats applicable to the individual Tenements are detailed in the notes to the Schedule.

Solicitor's Report on Mining Tenements

6.5 ABORIGINAL SITES

Tenements in Western Australia are granted subject to an endorsement reminding the tenement holder of its obligation to comply with the requirements of the Aboriginal Heritage Act 1972 (WA) (**Heritage Act**).

The Heritage Act protects sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation or other alteration of or damage to an Aboriginal site or any objects on or under that site.

There is no requirement for a site to be registered in any public manner or indeed, be in any way acknowledged as an Aboriginal site for it to qualify as an Aboriginal site for the purposes of the Heritage Act. A register of sites is maintained by the Aboriginal Affairs Department of Western Australia. The Heritage Act applies to all Aboriginal sites and objects whether or not they are registered under the Heritage Act. For that reason, we have not conducted a search of that register for the purposes of this report.

A practical method of minimising the danger of unintentional disturbance of a site, is to undertake Aboriginal heritage surveys with local Aboriginal communities before the commencement of land disturbing activities. This is an informal process because the Heritage Act does not actually prescribe a mechanism for identifying Aboriginal sites. We are not aware of any heritage surveys of the land the subject of the Tenements having been conducted to date.

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Heritage Protection Act**) also affords some protection to Aboriginal sites in Western Australia. It allows declarations to be made which protect or preserve objects or areas which are of significance to Aboriginals, whether situated on private or Crown land.

Two types of declarations may be made in relation to significant Aboriginal objects or Aboriginal areas (being objects or areas of significance to Aboriginals in accordance with Aboriginal tradition) under the Heritage Protection Act:

(a) emergency declarations of preservation which remain in force for a maximum of 60 days; and

(b) declarations of preservation (which remain in force for the terms specified in the declarations).

Before making a prominent declaration in relation to an area, the Minister for Aboriginal Affairs must commission a report on the area, which addresses specific matters such as the significance of the area, the extent of the area to be protected and the effects of the declaration on any non-Aboriginal interests in the land. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Heritage Protection Act.

In respect of these sites and any other sites identified on any of the Tenements, the Company needs to ensure that any interference with such sites is in strict conformity with the provisions of the Heritage Act and the Heritage Protection Act.

6.6 NATIVE TITLE – MABO AND NATIVE TITLE LEGISLATION

On 3 June 1992, the High Court of Australia held in Mabo v. Queensland (no.2) (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. In order to succeed in a native title claim the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of a wholly "inconsistent interest" in the land by the Crown. An example of an inconsistent interest would be the granting of a freehold or some type of exclusive possession leasehold interest in the land. The granting of a lesser form of interest not conferring exclusive possession will not extinguish native title as it would not be wholly inconsistent with native title rights and interests.

The Racial Discrimination Act 1975 (**RDA**) enacted by the Federal Parliament is binding on the State of Western Australia, and generally makes racial discrimination unlawful.

The Commonwealth Parliament responded to the Mabo decision by passing the Native Title Act 1993 (Cth). This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid by reason of the RDA. The Native Title Act 1993 was extensively amended by the Native Title Amendment Act 1998 (Cth). These amendments include the ability of a State Parliament to validate any titles which may have been invalidly granted over pastoral leases and certain other leasehold interests during the period 1 January 1994 to 23 December 1996. The State of Western Australia has enacted the validating legislation contemplated by the NTA: the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995 as amended by the Titles (Validation) and Native Title (Effect of Past Acts) Amendment Act 1999.

6.7 NATIVE TITLE – NATIVE TITLE CLAIMS

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (Registration Test), it will be entered on the Register of Native Title Claims maintained by the National Native Title Tribunal (Register). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test.

Some of the Tenements relate to land which is currently the subject of one or more registered native title claims.
These claims are identified in the Schedule. If native title is found to exist, the nature of the native title may be such that consent to the grant of a mining tenement may be required by the native title holders but is withheld or only granted on conditions unacceptable to the Company.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future.

In any event, the existence of native title is not the relevant issue for the Company. The relevant issue is the existence of a registered native title claim. That effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

6.8 NATIVE TITLE – VALIDITY OF TITLES

(a) Tenements granted before 1 January 1994

The grant before 1 January 1994 of mining tenements over land other than freehold, "exclusive possession" leasehold or vested reserve is an act that is capable of affecting native title and could have been invalid under the RDA. However, the NTA and State legislation has validated any such mining tenements.

The following Tenements were granted prior to 1 January 1994 and thus have been validated by the NTA and State legislation:

HOLDER	TENEMENTS
Goongarrie Gold Pty Ltd	M29/88
Goongarrie Gold Pty Ltd	M29/153
Goongarrie Gold Pty Ltd	M29/154
Goongarrie Gold Pty Ltd	M29/155
Goongarrie Gold Pty Ltd	M29/157
Goongarrie Gold Pty Ltd	M29/14
Goongarrie Gold Pty Ltd	L29/41
Goongarrie Gold Pty Ltd	L29/42
Goongarrie Gold Pty Ltd	L29/43
Goongarrie Gold Pty Ltd	L29/44

Solicitor's Report on Mining Tenements

(b) Tenements granted between 1 January 1994 and 23 December 1996

The grant of a mining tenement over land other than freehold "exclusive possession" leasehold or vested reserve is an act that is capable of affecting native title. Acts affecting native title must comply with the future act processes of the NTA.

However, the State Government granted some mining tenements during the period between 1 January 1994 and 23 December 1996 without complying with the requirements of the NTA. Accordingly, there was a risk that some of the Tenements granted during this period may have been invalid as a result of the failure to comply with the NTA. This risk has been removed by the 1998 amendments to the NTA (and corresponding State legislation) so far as the Tenements were granted over land which is the subject of a pastoral lease or other prescribed leasehold land.

The following Tenement was granted between 1 January 1994 and 23 December 1996:

HOLDER	TENEMENTS
Paddington Gold Pty Ltd	L29/58

(c) Tenements granted since 23 December 1996

Mining tenements granted since 23 December 1996 may be invalid if they were granted over land other than freehold, "exclusive possession" leasehold or vested reserve and the applicable processes prescribed by the NTA were not complied with. We understand that it has been the practice of the State Government since 23 December 1996 to comply with these processes subject to certain cases where the Minister granted mining tenements over enclosed or improved pastoral leasehold land relying on WA v Ward (2000) 170 ALR 159 (since overruled by the High Court on this point).

The following Tenements were granted since 23 December 1996:

HOLDER	TENEMENTS
Goongarrie Gold Pty Ltd	M29/184
Julia Gold Pty Ltd	M29/212

(d) Future Tenement Grants

The valid grant of any of the current applications for Tenements which may affect native title requires compliance with the provisions of the NTA.

The NTA regulates all future actions (such as the grant of a mining tenement) which affect native title rights. These actions are known as "future acts". A future act will be valid if it falls within one of a number of categories of land dealings specified in the NTA provided that there is compliance with the applicable procedural requirements: NTA Part 2, Division 3, Subdivisions B-P.

So, if the grant of any of the current applications for Tenements affect native title, the grant will be a future act and will be valid only if there has been compliance with the relevant requirements of the NTA. In order to determine whether the grant of any of the current applications will affect native title, a determination must be made as to whether the native title exists in the area. This will require a hearing by the Federal Court (or a consent determination) as to the existence of native title, which could take years. However, in the interim, the validity of the grant of the current applications for Tenements can be assured if the State and the Company comply with the requirements of the NTA on the assumption that native title does in fact exist in the area.

The following tenements are current applications:

HOLDER	TENEMENTS
Goongarrie Gold Pty Ltd	MLA29/223
Julia Gold Pty Ltd	MLA29/225

6.9 QUALIFICATIONS

While the status of the Tenements is dealt with in the Schedule and the notes to the Schedule, we point out, by way of summary, that:

(a) we have assumed the accuracy and completeness of all Tenement searches and other information or responses which were obtained from the relevant department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements obtained from the DIR;

(b) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the Mining Act;

(c) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(d) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(e) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

(f) references in the Schedule to any area of land are taken from details shown on searches obtained from the DIR. It is not possible to verify the accuracy of those areas without conducting a survey;

(g) where Ministerial consent to any agreement or dealing referred to in Part II of this report is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we have no reason to believe that any application for consent will be refused; and

(h) the Schedule is accurate as at 10 February 2004 as it is based on searches from DIR at that date. We cannot comment on whether any changes have occurred in respect of the Tenements between 10 February 2004 and the date of the Prospectus.

6.10 CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

STEINEPREIS PAGANIN

TENEMENT	HOLDER / APPLICANT	SHARE HELD	GRANT DATE (APPLIC-ATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPEND-ITURE	TENEMENT AFFECTED / AFFECTING / SAME / SECTION 49 / RELATIONSHIP NOT DEFINED	ENCUMBRANCES / DEALINGS	NOTES	NATIVE TITLE CLAIMS
M29/88	Goongarrie Gol Pty Ltd	96/96ths	28/07/88	27/07/09	35.2 ha	$459.36	$10,000	P29/1346 (dead) P29/1347 (dead) GML29/5988 (dead) GML29/5989 (dead) GML29/5990 (dead) P29/408 (dead)	Agreement 57H/956 Caveat 1099H/967 Bond PE6395 Agreement 28H/967	19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/153	Goongarrie Gold Pty Ltd	100/100ths	18/11/92	17/11/13	989.55 ha	$12,632.40	$99,000	GML29/5814 (dead) GML29/5971 (dead) M29/3 (dead) M29/18 (dead)	Partial Surrender (Msc.) 1800H/923 Agreement 28H/934 Agreement 57H/956 Caveat 1100H/967 Bond PE7374	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 29, 30, 32	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/154	Goongarrie Gold Pty Ltd	100/100ths	18/11/92	17/11/13	345.3 ha	$4,414.96	$34,600	M29/13 (dead) M29/70 (dead) M29/71 (dead)	Agreement 57H/956 Caveat 1101H/967 Bond PE7375	1, 2, 3, 6, 17, 20, 22, 23, 24, 25, 26, 27, 29, 30, 37, 77, 78, 80, 81, 82, 83, 84, 85, 86	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/155	Goongarrie Gold Pty Ltd	100/100ths	18/11/92	17/11/13	491.5 ha	$6,277.92	$49,200	M29/108 (dead) M29/97 (dead)	Agreement 57H/956 Caveat 1102H/967 Bond PE6398 Objection KA61/034 Plaint KA48/034	1, 2, 3, 8, 9, 10, 11, 12, 13, 14, 20, 22, 23, 24, 25, 27, 29, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 100	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/157	Goongarrie Gold Pty Ltd	100/100ths	13/10/92	12/10/13	125.12 ha	$1,607.76	$12,600	M29/110 (dead) M29/112 (dead) M29/98 (dead)	Caveat 1103H/967 Agreement 28H/967	2, 3, 41, 50	WC99/010 Wutha WC99/001 Wongatha

TENEMENT	HOLDER / APPLICANT	SHARE HELD	GRANT DATE (APPLIC-ATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPEND-ITURE	TENEMENT AFFECTED / AFFECTING / SAME / SECTION 49 / RELATIONSHIP NOT DEFINED	ENCUMBRANCES / DEALINGS	NOTES	NATIVE TITLE CLAIMS
M29/184	Goongarrie Gold Pty Ltd	100/100ths	13/03/97	2/03/18	640 ha	$8,166.40	$64,000	P29/1348 (dead) P29/1392 (dead) P29/1346 (dead) P29/1347 (dead) P29/1349 (dead)	Caveat 1065H/967 Caveat 1104H/967 Bond PE6399	2, 3, 20, 22, 23, 24, 25, 26, 27, 29, 32, 35, 37, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
MLA29/223	Goongarrie Gold Pty Ltd	100/100ths	(14/03/97)	N/A	15 ha	N/A	No expenditure required yet				WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/14	Julia Gold Pty Ltc	96/96ths	14/05/84	13/05/05	102.8 ha	$1,314.23	$10,300	GML29/5812 (dead) GML29/5813 (dead) GML29/5815 (dead) GML29/5841 (dead) GML29/5863 (dead) GML29/5864 (dead) GML29/5866 (dead) GML29/5868 (dead) GML29/5972 (dead) GML29/5973 (dead) GML29/6084 (dead) GML29/6085 (dead)	Caveat 1097H/967 Caveat 581H/990 Caveat 692H/990 Bond PE7373	17, 22, 23, 24, 25, 26, 27, 29, 30, 32, 68, 73, 74, 75, 76, 83, 84, 85, 87	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
L29/41	Goongarrie Gold Pty Ltd	100/100ths	25/10/88	24/10/08	3 ha	$33.66	No expenditure required	M29/15 (dead)	Application to Amend KA44/889 Extension of Term KA122/934 Caveat 1093H/967 Renewal of Term KA31/989 Renewal of Term 184007	68, 69, 70, 71, 72	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
L29/42	Goongarrie Gold Pty Ltd	100/100ths	22/02/89	21/02/04	0.09 ha	$11.22	No expenditure required		Caveat 1094H/967 Renewal of Term KA60/034	3, 65, 66, 67, 68, 99	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.

TENEMENT	HOLDER / APPLICANT	SHARE HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	TENEMENT AFFECTED / AFFECTING / SAME / SECTION 49 / RELATIONSHIP NOT DEFINED	ENCUMBRANCES / DEALINGS	NOTES	NATIVE TITLE CLAIMS
L29/43	Goongarrie Gold Pty Ltd	100/100ths	22/02/89	21/02/04	0.09 ha	$11.22	No expenditure required		Caveat 1095H/967 Renewal of Term KA61/034	3, 65, 66, 67, 68	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
L29/44	Goongarrie Gold Pty Ltd	100/100ths	22/02/89	21/02/04	0.09 ha	$11.22	No expenditure required		Caveat 1096H/967 Renewal of Term KA62/034	3, 65, 66, 68, 98	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
L29/58	Paddington Gold Pty Ltd	100/100ths	15/10/96	14/10/06	3.24 ha	$45.88	No expenditure required			1, 5, 51, 69, 70, 72 86, 94, 95,	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
M29/212	Julia Gold Pty Ltd	100/100ths	27/02/01	26/02/22	930 ha	$11,866.80	$93,000	P29/140 (dead)	Bond PE7532 Bond PE8873	2, 22, 23, 24, 25, 26, 27, 51, 54, 55, 56, 88, 89, 90, 91, 92, 93	WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.
MLA29/225	Julia Gold Pty Ltd	100/100ths	(01/05/97)		581 ha	N/A	No expenditure required yet	P29/1375 (dead) P29/1376 (dead) P29/1377 (dead) P29/1378 (dead)			WC99/010 Wutha WC99/001 Wongatha ARB/13 Goldfields A.R.B.

Key to Tenement Schedule

GML Gold Mining Lease
L Miscellaneous Licence
M Mining Lease
MLA Mining Lease Application
P Prospecting Licence

Please refer to Part II of this Report for the status of the Native Title Claims.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to letters in the "Notes" column refers to the agreements summarised in Part II of the report.
References to numbers in the "Notes" column refers to the notes following this table.

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6.0

NOTES:

All Tenements are subject to the standard endorsements and conditions imposed by the Department of Industry and Resources.

1. The grant of this lease does not include any private land referred to in Section 29(2) of the Mining Act 1978 except that below 30 metres from the natural surface of the land.
2. Mining on any road or road reserve being confined to below a depth of 15 metres from the natural surface.
3. Blasting operations being controlled so that no damage or injury can be caused by fly rock, concussion, vibration or other means.
4. No mining on Menzies Townsite and Use and Benefit of Aboriginal Inhabitants Reserve 35509 without the prior written consent of the Minister for Mines.
5. The rights of ingress to and egress from Miscellaneous Licence 29/41 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
6. The rights of ingress to and egress from Licence to Treat Tailings 380H(29/85) being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
7. No mining activity being undertaken that will interfere with the natural drainage or cause pollution with the catchment area of any bore, dam or well.
8. No mining activity being carried out so as to detrimentally affect the water availability for general and authorised use from any existing bore, well or dam.
9. No mining activity being carried out within a radius of 30 metres of any bore, well or dam.
10. No mining activity being carried out that would damage any improvement.
11. The Water Authority of Western Australia having unrestricted access.
12. The provisions of the Rights in Water and Irrigation Act, 1914 will apply.
13. The Environmental Protection Authority Act 1986 being observed in relation to the prevention of contaminants polluting groundwaters of surface waters.
14. The Water Authority of Western Australia being provided with a plan indicating areas of mining and mineral processing prior to the commencement of mining or mineral processing activity that may impact on the Water Authority's facilities.
15. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:
    - "Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated May 1995 in respect of Mining Leases 29/88, 29/153, 29/154 and 29/155;
    - "Addendum to Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated July 1995; and
    - "Letter titled Menzies Project – Yunndaga Waste Dump, Pancontinental Gold Mining Areas Pty Limited (PGA)" dated 19 October 1995

    and all retained on Department of Minerals and Energy File No. 2187/95

    - "Menzies Project Notice of Intent to Mine Second Addendum" dated August 1996;
    - "Menzies Project Notice of Intent to Mine Second Addendum – Supplementary information" dated 14 September 1996;

    and both retained on Department of Minerals and Energy File No. 2177/96

    - "Letter of Intent to Mine – Golden Age Open Pit" undated, received by the Kalgoorlie Inspectorate on 9 April 1997;
    - Letter titled "re: Letter of Intent to Mine Gold Age Open Pit" dated 15 April 1997, containing additional information signed by Mr Tom Harrison – Project Manager, Menzies;

    and both retained on Department of Minerals and Energy File No. 2118/97;

    - "Paddington Gold Pty Ltd Menzies Project, Lady Harriet Notice of Intent" dated October 1997;
    - "Menzies Tailings Pit Backfill" dated 22 May 1998, signed by Brett Loney – Manager Environmental Paddington Gold Pty Ltd;
    - "Lady Harriet Pit Design Alteration" dated 11 June 1998 and signed by Mr Colin Bald Project Manager Menzies; and
    - "Lady Harriet Waste Dump Notification" dated 14 July 1998 and signed by Mr Colin Bald – Project Manager – Menzies;

    and all retained on Department of Minerals and Energy File No. 2274/97.

    Where a difference exists between the above documents and the following conditions, then the following conditions shall prevail.

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16. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $119,000.

17. Noise and dust will be managed within satisfactory levels.

18. Access to the surface of land within the Menzies Townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such exploration activities as may be approved by the State Mining Engineer.

19. The rights of ingress and egress from the tailings the subject of Licence to Treat Tailing No. 29/106 (4090H) being at all time preserved to the licensee.

20. No mining on a strip of land 60 metres wide with the Kalgoorlie-Leonora Railway Line as the centreline and no material being deposited or machinery or buildings being erected on such strip of land.

21. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:

    - "Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated May 1995 in respect of Mining Leases 29/88, 29/153, 29/154 and 29/155;
    - "Addendum to Notice of Intent to Mine Menzies Project, Paddington Operations Pancontinental Goldmining Areas Pty Ltd dated July 1995; and
    - "Letter titled Menzies Project – Yunndaga Waste Dump. Pancontinental Gold Mining Areas Pty Ltd (PGA)" dated 19 October 1995.
    - "Menzies Project, Notice of Intent to Mine, Fifth Addendum, Yunndaga Open Pit Extension" dated April 1997;

    and all retained on Department of Minerals and Energy File Nos 2187/95 and 2177/96.

    Where the difference exists between the above document(s) and the following conditions, then the following conditions shall prevail.

22. The development and operation of the project being carried out in such a manner so as to create a minimum practicable disturbance of the existing vegetation and natural landform.

23. All topsoil being removed ahead of all mining operations from sites such as pit areas, waste disposal areas, ore stockpile areas, pipeline, haul roads and new access roads being stockpiled for later respreading or immediately respread as rehabilitation progresses.

24. At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the State Mining Engineer.

25. All rubbish and scrap being progressively disposed of in a suitable manner.

26. At the completion of operations, or progressively where possible, all access roads and other disturbed areas being covered with topsoil, deep ripped and vegetated with local native grasses, shrubs and trees to the satisfaction of the State Mining Engineer.

27. Any alteration or expansion of operations within the lease boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a program to safeguard the environment are submitted to the State Mining Engineer for his assessment and until his written approval to proceed has been obtained.

28. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $38,000.

29. The lessee submitting to the State Mining Engineer, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report to be submitted each year in January.

30. The construction of safety bunds around all pits as well as any other preventative measures needed to discourage public access.

31. The rendering safe of the Yunndaga shafts on the lease.

32. The construction of appropriate flood preventative earthworks which will satisfactorily divert floodwaters away from all pits during the life of mining operations.

33. Mining will not commence within 100m of the Railway Line at Yunndaga until the independent assessment of surface drainage is received and approved by DOME.

34. Drainage details proposed on the Tenement and around the Railway which will satisfactorily divert floodwaters away from all pits during the life of mining operations.

35. Development of an acceptable strategy for the design and placement of abandonment bund relative to proximity of the railway and which satisfies the [illegible]

36. Adequate provisions being made to ensure the integrity of the railway during, and after the cessation of, mining operations.

37. The land the subject of this lease does not include land the subject of Mining Lease 29/88.

38. The land the subject of this lease does not include any private land except that below 30 metres from the natural surface of the land.

39. Consent to Mine on Yunndaga Townsite given subject to:

    The grant of the lease does not include land subject to Mining Lease 29/88.

40. No mining on Menzies Townsite, Recreation Reserve 10542 and Rifle Range Reserve 14806 without the written consent of the Minister for Mines.

41. No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

42. Consent to Mine on Menzies Water Reserve and Water Reserve 5064 given by the Minister for Mines subject to:

    No mining activity being undertaken that will interfere with the natural drainage or cause pollution within the catchment area of any bore, well or dam.

43. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:

    - "Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated May 1995 in respect of Mining Leases 29/88, 29/153, 29/154 and 29/155; and
    - "Addendum to Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated July 1995

    and all retained on Department of Minerals and Energy File No. 2187/95.

    Where a difference exists between the above document(s) and the following conditions, then the following conditions shall apply.

44. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $8,000.

45. Consent to Mine on Yunndaga Townsite given subject to:

    Access to the surface of land within Yunndaga Townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such exploration activities as may be approved by the State Mining Engineer.

46. Consent to Mine on Rifle Range Reserve 14806 given subject to:

    Mining operations being carried out at such times and in such a manner as not to interfere with the full use of the Rifle Range Reserve for rifle practice and no person being domiciled on the Rifle Range.

47. The Commonwealth of Australia and the resident Rifle Clubs being completely absolved from liability for any accidence which may occur within the boundaries of the Rifle Range Reserve as the result of the granting of the lease, and the lessee observing all necessary safety precautions to ensure freedom from accident arising from the use of the Rifle Range.

48. In the event of large scale mining operations proving justified, the lessee to bear the cost of rebuilding the Rifle Range on another approved site as determined by the Department of Defence.

49. At the completion of operations within the Lease boundaries beyond that outlined in the above documents and commencing until a plan of operations and a program to safeguard the environment are submitted to the State Mining Engineer.

50. No mining on a strip of land 60 metres with the Menzies-Kalgoorlie Railway Line as the centre-line and no materials being deposited or machinery or buildings being erected on such strip of land.

51. The lessee's attention is drawn to the provisions of the Aboriginal Heritage Act, 1972.

52. The grant does not include land described as follows:

    - Starting Point at 6704731.484N 310467.676E;
    - Thence 264.56 metres @341 degrees 13 feet to 6704980 – 493N 310378.267E;
    - Thence 1124.76 metres @83 degrees 48 feet to 6705120.686N 311494.305E;
    - Thence 1097.88 metres @250 degrees 12 feet Back to Starting Point.

53. An agreement pursuant to Section 34 of the Native Title Act 1993 has been lodged with the National Native Title Tribunal.

54. The lessee notifying the holder of any underlying pastoral lease by registered post and taking all reasonable steps to notify by telephone or contact in person prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers,

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backhoes, drilling rigs; water carting equipment or other mechanised equipment.

55. The lessee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
- the grant of the lease; or
- registration of the transfer introducing a new lessee,

advise, by registered post, the holder of any underlying pastoral lease details of the grant or transfer.

56. The lessee submitting a plan of proposed operations and measures to safeguard the environment to developmental or productive mining construction activity.

57. The rights of ingress to and egress from Miscellaneous Licences 29/43 and 29/44 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

58. The prior written consent of the Minister for Mines being obtained before commencing mining on Rifle Range Reserve 11803 and Unnumbered Land Act Reserve N8.

59. Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

60. The lessee being liable for the payment of any compensation under the Native Title Act 1993 and in accordance with Section 123 of the Mining Act 1978 and payable to a native title holder in respect of any land comprised in the lease, as a result of the grant of the lease or any activities conducted by the lessee in connection with the Lease. (The term "native title holder" has the same meaning as the term in the Native Title Act 1993).

61. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled "Menzies Project, Notice of Intent to Mine, Fifth Addendum, Yunndaga Pit Extension" dated April 1997 and retained on the Department of Minerals and Energy File No. 2177/96.

62. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $53,000.

63. Adequate provisions being undertaken to ensure the integrity of the railway during, and after the cessation of mining operations.

64. On the completion of the life of mining operations in relation to the Miscellaneous Licence 29/43 the holder shall:
- remove all installations constructed pursuant to this licence; and
- cover over all wells and holes in the ground to such degrees of safety as shall be determined by the Inspector;
- on such areas as cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Inspector and properly maintain same until such time as the Department of Conservation and Land Management advises the inspector that the whole of such regrowth is self supporting and the Inspector so advises the holder of same.

Unless the Warden or Minister for Mines orders or consents otherwise.

65. To properly maintain the installations as directed by the Mining Engineer-District Inspector for Mines ("the Inspector").

66. To construct a fence around all wells, bores, storage tanks, pumping stations and any other installations as determined by the Inspector having such dimensions and to be constructed of such materials and be of such a standard as determined by the Inspector.

67. On the completion of the life of mining operations in relation to Miscellaneous Licence 29/42 the holder shall:
- remove all installations constructed pursuant to this licence;
- cover over all wells and holes in the ground to such degree of safety as shall be determined by the Inspector; or
- on such areas as cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Inspector and properly maintain same until such time as the Department of Conservation and Land Management advises the Inspector that the whole of such regrowth is self supporting and the Inspector so advises the holder of same,

Unless the Warden or Minister for Minerals and Energy [illegible]

68. Compliance with the provisions of the Aboriginal Heritage Act 1972 to ensure that no action is taken which is likely to interfere with or damage any Aboriginal site.

69. The road to be constructed using proper materials to suite the purpose for which it is being constructed, and further that it be constructed in a workman like manner and further that it be constructed to the satisfaction of the Mining Engineer-District Inspector of Mines ("the Inspector").

70. The holder shall maintain the road from time to time as shall be required to ensure that it is safe for the purpose that it is constructed.

71. The holder and the Inspector have liberty to apply to the Warden in respect to any dispute or non-compliance with any of these conditions.

72. Wherever any part of the road intersects an existing fence, the holder shall construct a livestock grid having such dimensions and to be constructed of such materials and be of such a standard as determined by the Inspector.

73. No mining on Menzies Townsite or State Battery Reserve 24145 without the prior written consent of the Hon. Minister for Minerals and Energy.

74. No mining on Pipetrack Water Right (Reserve 24144 – Location 12) or within a distance of 30 metres on either side thereof without the prior written consent of the Hon. Minister for Minerals and Energy.

75. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the documents titled:

- "Notice of Intent to Mine Menzies Project, Paddington operations of Pancontinental Goldmining Areas Pty Ltd" dated May 1995 in respect of Mining Lease 29/88, 29/153, 29/154 and 29/155 and;
- "Addendum to Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining areas Pty Ltd" dated July 1995;

  and both retained on Department of Minerals and Energy File No. 2187/95.
- Third Addendum to Notice of Intent to Mine Menzies Project, First Hit Expansion, dated September 1996 and held on Department of Minerals and Energy File No. 2177-96 Vol 03.
- Menzies Project. Notice of Intent to Mine – Sixth Addendum. First Hit East Cutback" dated 12/08/1997 May 1997 and letter for Paddington Gold Pty Ltd dated 2.6.1997, and "Letter of Intent to Mine Selkirk Expansion" dated 21.4.1997, and retained on Department of Minerals and Energy File No 2118/97.

Where a difference exists between the above documents and the following conditions, then the following conditions shall prevail.

76. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of: $11,000.

77. No mining on Menzies Townsite, Racecourse Reserve 5168 and Mineral Processing Reserve 24145 without the prior written consent of the Minister for Mines.

78. Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

79. The rights of ingress to and egress from Licence to Treat Tailings 3805H (29/86) being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.

80. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:

- "Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated May 1995 in respect of Mining Leases 29/88, 29/153, 29/154 and 29/155;
- "Addendum to Notice of Intent to Mine Menzies Project, Paddington Operations of Pancontinental Goldmining Areas Pty Ltd" dated July 1995;

and all retained on Department of Minerals and Energy File No 2187/95.

- Third Addendum, "Notice of Intent to Mine – First Hit Pit Expansion Menzies Project", dated September 1996 and retained on Department of Minerals and Energy File No. 2177/96.
- Fourth Addendum "Notice of Intent to Mine – Selkirk Open Pit, Menzies Project, dated November 1996 and retained on Department of Minerals and Energy File No. 2177/96.
- "Menzies Project Notice of Intent to Mine, Sixth Addendum – First Hit East Cutback" dated May 1997, and letter from Paddington Gold Pty Ltd dated 2 June 1997 and retained on Department of Minerals and Energy File No. 2118/97;
- "Letter of Intent to Mine – Selkirk Expansion" dated 21 April 1997 and retained on Department of Minerals and Energy File No. 2118/97;

Solicitor's Report on Mining Tenements

- "Menzies Tailings Pit Backfill" dated 22 May 1998 signed by Mr Brett Loney – Manager Environment Paddington Gold Pty Ltd and retained on Department of Minerals and Energy File no. 2274/97.

Where a difference exists between the above document(s) and the following conditions, then the conditions in notes 17, 22, 23, 24, 25, 26, 27, 29, 30, 32, 82, 83 and 84 shall prevail.

81. The land the subject of this lease does not include land the subject of Prospecting licences 29/1170, 29/1244 and 29/1252.

82. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $63,000.

83. Main Roads or the Shire of Menzies, as appropriate, will be advised of:

- the conditions where roads on the tenements, or leading to or from mine operations, will affect crossings or junction with existing roads; and
- where bunds or drains on the tenement may affect the Sandstone Menzies Road.

84. The lessee liaising with the relevant aviation authority so that mining operations do not interfere with the airspace or approaches of any aircraft landing grounds in the area.

85. Consent to mine on Mineral Processing Reserve 24145 given on 18/12/1997 subject to:

The interests and rights of the lessee of Mineral Processing Reserve 24145 are to be preserved.

86. Consent to Mine on Menzies Townsite given 18/12/1997 subject to:

Access to the surface of land within Menzies townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such mining activities as may be approved by the State Mining Engineer.

87. All topsoil being removed ahead of mining operations and stockpiled for replacement in accordance with the directions of the Mining Engineer – District Inspector for Mines.

88. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled:

- "Notice of Intent Lady Irene Gold Project" dated May 2002 (NOI 3997) and retained on Department of Mineral and Petroleum Resources File No. 5251/02.

Where a difference exists between the above document(s) and the following conditions, then conditions described in notes 22, 23, 24, 25, 26, 27, 89 and 90 shall prevail.

89. The Lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for State Development for due compliance with the environmental conditions of the lease in the sum of $32,500.

90. The lessee submitting to the State Mining Engineer a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report to be submitted each year in July.

91. Persons claiming native title to the land the subject of this mining tenement entered into a deed under the Native Title Act 1993 with the State of Western Australia, the Minister for Mines and the tenement holder agreeing to the grant of the tenement. Copies of the deed were given to the National Native Title Tribunal pursuant to Section 34 of the Native Title Act and filed at the Department of Minerals and Energy.

92. The grant of this Lease does not include land the subject of Prospecting Licence 29/1329, Exploration Licences 29/152 and 29/278.

93. The lessee is liable for the payment of any compensation under the Native Title Act 1993 payable to a native title holder as a result of the grant of the lease or any activities conducted by the lessee in connection with the lease. (The term "native title holder" has the same meaning as that term in the Native Title Act 1993).

94. All traffic on the road must give way to traffic on public roads.

95. All intersections with public roads should be at 90 degrees or as close as possible to maintain visibility and such intersections are to be maintained at the licence holder's expense.

96. Truck warning signs must be installed at a distance of 200 metres both north and south (or east and west as the case requires of any intersection, to warn traffic on public roads of entering traffic from the road.

97. Consent to Mine on the Menzies Townsite granted subject to:

    On the completion of the life of mining operations in connection with Miscellaneous Licence 29/58 the holder shall:

    - Remove all installations constructed pursuant to this licence; and
    - On such areas cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Mining Engineer-District Inspector of Mines ("the Inspector") and properly maintain same until the Inspector advises regrowth is self supporting

    unless the Mining Registrar or Minister for Mines orders or consents otherwise.

98. On the completion of the life of mining operations in relation to the Miscellaneous Licence 29/44 the holder shall:

    - remove all installations constructed pursuant to this licence and
    - cover over all wells and holes in the ground to such degrees of safety as shall be determined by the Inspector.
    - on such areas as cleared of natural growth by the holder or any of its agents, the holder shall plant trees and/or shrubs and/or any other plant as shall conform to the general pattern and type of growth in the area and as directed by the Inspector and properly maintain same until such time as the Department of Conservations and Land Management advises the Inspector that the whole of such regrowth is self supporting and the Inspector so advises the holder of same.

    Unless the Warden or Minister for Mines orders or consents otherwise.

99. A variation agreement noted as Agreement 53H/956 is registered against the Tenement but has been effectively superseded by subsequent agreements.

100. Objection KA61/034 has been lodged against the application for exemption KA385/034 affecting Mining Lease 29/155 by Wayne Craig Blitterswyk (Objector). The reason given for the objection is that "the exemption sought is not appropriate to the Mining Act 1978 (Act) and the grant of the exemption will facilitate the undue retention of the tenement concerned, contrary to the principles of the Act". Plaint KA48/034 has been brought by the Objector against Goongarrie Gold Pty Ltd on the ground that the expenditure for Mining Lease 29/155 has not been properly met for the year ending 2003. The Objector/Plaintiff seeks forfeiture of Mining Lease 29/155 in favour of himself.

STATUS OF NATIVE TITLE CLAIMS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	STATUS	RNTC STATUS	IN MEDIATION
WC99/10	WG6064/98	Wutha	Active	Registered	Yes
WC99/1	WAG6005/98	Wongatha	Active	Registered	Yes
WC99/9	WG76/97	Maduwongga	Active	Registered	No

* All Tenements are the subject of Aboriginal Representative Body 13, Goldfields ARB.

Independent Accountant's Report

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16 February 2004

The Directors
Rox Resources Limited
Ground Floor,
1 Havelock Street
WEST PERTH WA 6005

Dear Sirs

7.1 INTRODUCTION

This report has been prepared at the request of the Directors of Rox Resources Limited ("Rox" or "the Company") for inclusion in a Prospectus to be dated on or around 16 February 2004 ("the Prospectus") relating to the proposed issue by Rox of up to 25,000,000 shares to be issued at a price of 20 cents per share to raise up to $5,000,000. The minimum subscription has been set at $3,200,000 (16,000,000 shares at 20 cents each).

7.2 BASIS OF PREPARATION

This report has been prepared to provide investors with information on historical results, the assets and liabilities of Rox and the pro-forma assets and liabilities of Rox as noted in Appendix 3. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stanton Partners Corporate Pty Ltd has not been requested to consider the prospects for Rox, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Stanton Partners Corporate Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in section 8 of the Prospectus.

7.3 BACKGROUND

Rox Resources Ltd was incorporated on 27 November 2003 with an issued capital of $150 represented by the issue of 1,500,000 shares at 0.0001 cents each. The directors interests in the share capital of the Company are set out in paragraph 9.10 of the Additional Information section of the Prospectus.

In February 2004, the Company raised $60,000 by way of an issue of 6,000,000 ordinary shares at 1 cent per share to various seed investors, including interests of the directors.

On 15 December 2003, Rox entered into a conditional agreement to acquire the Menzies Gold Project (including the Lady Irene project) from Deep Yellow Limited ("Deep Yellow") for the consideration of:

- $50,000 non-refundable deposit fee payable $10,000 on signing and the balance on signing of the formal agreement (subject to the condition of gaining Deep Yellow shareholders' approval for the transaction, otherwise the deposit is refundable). The shareholders of Deep Yellow approved the sale of the Menzies Project in January 2004. Stanton Partners Corporate Pty Ltd prepared an independent expert's report in December 2003 for the Deep Yellow shareholders stating that the proposal to sell Deep Yellows; interest in Menzies was fair and reasonable to the shareholders not associated with Mr A Cowden and Mr B Dickson. Mr A Cowden is a director of both Deep Yellow and Rox and Mr Dickson is a director of Deep Yellow and Company Secretary of Rox. Both persons or entities associated with them are shareholders in Rox.
- $450,000 cash upon the successful raising of working capital for Rox and approval to list on the Australian Stock Exchange ("ASX"), to be paid within 7 days of Rox's listing on the ASX; and
- The issue of 2,500,000 shares in Rox at a deemed value of 20 cents each ($500,000 total) upon approval to list Rox on the ASX.

Rox will also pay any stamp duty required for the transfer of tenements, any cost differential that Deep Yellow may be exposed to as a result of Rox's request for Deep Yellow to expedite the acquisition of the 55% held by Placer Dome Asia Pacific's ("Placer") subsidiary, Paddington Gold Pty Ltd (ie. $70,000 rehabilitation differential) and other costs of the transaction such as the cost to Deep Yellow for the extraordinary general meeting required to obtain Deep Yellow shareholder approval (estimated at $10,000).

The offer was also subject to Deep Yellow acquiring the 55% of the Menzies Project it did not own from Placer by 31 January 2004 (since obtained). As part of the agreement between Deep Yellow and Placer of 27 December 2003:

- Placer retains the low grade stockpiles (289,879 tonnes at 1.11 g/t) and responsibility for all associated bonds and access roads for removal of the stockpiles;
- Placer retains a 1% Net Smelter Royalty on gold production from the tenements; and
- Placer retains a clawback right for any single measured and indicated resource exceeding 500,000 ounces of gold that may be discovered on the tenement group. Placer retains the right to purchase a 70% interest in the relevant portion of Menzies Project (excluding Lady Irene project) by paying the greater amount of $2,000,000 or three times the exploration expenditure associated with the discovery by Deep Yellow (now Rox);

The mining bonds requiring replacement total around $221,000 and Rox will be required to lodge bonds for such an amount with the Department of Industry and Resources ("DOIR"). Annual holding costs and minimum exploration commitments for DOIR approximate $427,000 (including rents of around $54,000).

Further details on all of the above and below mentioned agreements including terms and conditions and various royalties payable are outlined in the Additional Information section 9.3 of the Prospectus. Potential investors should read the Prospectus in full that includes a geological technical report and a solicitors report on mining tenements. We make no comments as to ownership or values of the mineral tenement interests.

The Company has entered into an employment agreement with Mr Ian Mulholland (managing director of Rox) to provide management services. The term is for a minimum period of three years (from date of listing of the Company on the ASX) and the annual remuneration is $200,000 inclusive of statutory superannuation. Mr Mulholland is to receive a fee of $4,000 per month from 1 December 2003 to date of listing.

The Company has also entered into a corporate advisory agreement with Chatsworth Stirling Pty Ltd (a company in which Mr M Blakiston has an interest) for a period of one year. The fees payable total a minimum of $24,000.

The Company has set up an Employees Share Option Plan ("ESOP"). It is proposed to issue 1,200,000 share options once the Company is listed on the ASX.

7.4 SCOPE OF EXAMINATION

You have requested Stanton Partners Corporate Pty Ltd to prepare an Independent Accountant's Report on:

(i) The results of Rox for the period 27 November 2003 to 31 December 2003;

(ii) Statement of Financial Position of Rox as at 31 December 2003; and

(iii) The pro-forma Statement of Financial Position of Rox as at 31 December 2003 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to in this report has not been audited, however has been subject to audit review. The directors of Rox are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion.

Our examination included:

(i) Discussions with Directors and other key management of Rox;

(ii) Review of contractual arrangements;

(iii) A review of publicly available information; and

(iv) A review of work papers, accounting records and other documents.

Independent Accountant's Report

7.5 OPINION

In our opinion, the pro-forma statement of financial position as set out in Appendix 2 presents fairly, the pro-forma statement of financial position of Rox as at 31 December 2003 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3.

No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the results of the periods identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2003, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

7.6 OTHER MATTERS

At the date of this report, Stanton Partners Corporate Pty Ltd does not have any material interest in Rox either directly or indirectly, or in the outcome of the offer. Stanton Partners Corporate Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Stanton Partners Corporate Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTON PARTNERS CORPORATE PTY LTD

J P Van Dieren FCA

Director

APPENDIX 1
UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE

	Rox 27 Nov. '03 to 31 Dec. '03 ($)
Operating Revenue	-
Operating costs	7,000
Net (loss) before tax	(7,000)
Income Tax expense attributable to net loss	-
Net (loss) after tax	(7,000)

APPENDIX 2
UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Note	Unaudited 31 Dec. '03 ($)	Pro-forma Unaudited 31 Dec. '03 ($)
Current Assets			
Cash assets	3	150	3,996,245
Total Current Assets		150	3,996,245
Non Current Assets			
Bond deposits	4	-	221,000
Exploration expenditure	5	-	1,015,905
Total Non Current Assets		-	1,236,905
Total Assets		150	5,233,150
Current Liabilities			
Payables	6	7,000	-
Total Current Liabilities		7,000	-
Total Liabilities		7,000	-
Net Assets (deficiency)		(6,850)	5,233,150
Equity			
Contributed Equity	7	150	5,260,150
Accumulated Losses	13	(7,000)	(27,000)
Total Equity (deficiency)		(6,850)	5,233,150

To be read in conjunction with Appendix 3

Independent Accountant's Report

APPENDIX 3
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE AND STATEMENTS OF FINANCIAL POSITION

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The unaudited Statement of Financial Performance and unaudited Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Company adopts the liability method of tax effective accounting, whereby the income tax expense in the Statement of Financial Performance is based on the operating profit before tax adjusted for permanent differences. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will comply with the conditions of deductibility imposed by the law.

(c) Exploration, evaluation and development expenditure

Exploration, evaluation and development costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(d) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(f) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Statement of Financial Position

Actual and proposed transactions adjusting the 31 December 2003 unaudited Statement of Financial Position in the pro-forma Statement of Financial Position of Rox are as follows:

(a) The issue of 6,000,000 ordinary shares at 1 cent per share to raise a gross $60,000;

(b) The payment of accounts payable of $7,000;

(c) The issue of 25,000,000 ordinary shares at 20 cents each pursuant to the Prospectus to raise a gross $5,000,000;

(d) The payment of expenses of the public issue totalling an estimated $300,000 and expensed against contributed equity;

(e) The issue of 2,500,000 vendor ordinary shares to Deep Yellow at an issue price of 20 cents each as part consideration to acquire the Menzies Gold Project;

(f) The payment of a deposits totalling $50,000 pertaining to the acquisition of the Menzies Gold Project and the payment of $450,000 within 7 days after listing of Rox on the ASX;

(g) The payment to DOIR of $221,000 of mining bonds as security for rehabilitation obligations pertaining to the Menzies Gold Project;

(h) The payment of incidental costs of $10,000 relating to the acquisition of the Menzies Gold Project;

(i) Payment of stamp duty pertaining to the acquisition of the Menzies Gold Project of $55,905; and

(j) The incurring of administration costs prior to listing at an estimated $20,000.

		Note 2	Unaudited 31 Dec.'03 ($)	Unaudited Pro-forma 31 Dec.'03 ($)
3.	**Cash at bank**			
	The movements in cash at bank are as follows:			
	Unaudited 31 Dec.'03		150	150
	Issue of shares to investors	(a)	-	60,000
	Payment of payables	(b)	-	(7,000)
	Issue of shares pursuant to Prospectus	(c)	-	5,000,000
	Prospectus issue costs	(d)	-	(300,000)
	Payments to Deep Yellow	(f)	-	(450,000)
	Payments to DOIR for mining bonds	(g)	-	(221,000)
	Incidental costs on Menzies Gold Project	(h)	-	(10,000)
	Stamp Duty	(i)	-	(55,905)
	Administration costs	(j)		(20,000)
			150	3,996,245
4.	**Bond Deposits**			
	Bonds with DOIR	(h)	-	221,000

Independent Accountant's Report

		Note 2	Unaudited 31 Dec.'03 ($)	Unaudited Pro-forma 31 Dec.'03 ($)
5.	**Exploration Expenditure**			
	Exploration expenditure to 31 Dec.'03		-	
	Issue of shares to Deep Yellow	(e)	-	500,000
	Payments to Deep Yellow	(f)	-	450,000
	Incidental costs	(h)	-	10,000
	Stamp duty	(i)		55,905
			-	1,015,905

The recoverability of exploration costs capitalised is dependent upon the successful commercialisation of the relevant mineral projects. In the event of the failure to commercialise the projects (by development or sale), the cost pertaining to the projects may need to be written off.

		Note 2	Unaudited 31 Dec.'03 ($)	Unaudited Pro-forma 31 Dec.'03 ($)
6.	**Payables**			
	Accounts payable		7,000	7,000
	Less: Payment of accounts payable	(b)	-	(7,000)
			7,000	-
7.	**Contributed Equity**			
	Share Capital			
	1,500,000 shares at 31 Dec.'03		150	150
	6,000,000 shares at 1 cent each	(a)	-	60,000
	25,000,000 shares at 20 cents each	(c)	-	5,000,000
	2,500,000 shares at 20 cents each	(e)	-	500,000
			150	5,560,150
	Less: Share issue costs	(d)	-	(300,000)
	Pro-form (35,000,000 shares)		150	5,260,150

In the event that the minimum subscription of $3,200,000 only is received, the number of shares on issue would be 26,000,000 and the net issued capital (contributed equity) after share issue costs of $300,000 would be $3,460,150. Cash assets would reduce from $3,996,245 (refer note 3) to $2,196,245.

8. Contingent Liabilities

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no material contingent liabilities other than potential commitments and royalty payments as noted in the Agreements referred to in the Solicitor's Report and Additional Information sections of the Prospectus. As noted in the Solicitors' Report, there are potential native title claims over the tenements in which Rox has an interest.

9. Rental of Premises Commitments

Agreement has been reached within Vulcan Resources Ltd to sub-let premises at the rate of $6,500 per month for twelve months. Prior to listing, the Company has agreed to pay rent of $1,000 per month.

10. Exploration commitments

For details on proposed exploration commitments on mineral tenements, refer to the Independent Geologists Report in the Prospectus and the Corporate Information section (paragraph 2.1) of the Prospectus. The minimum rents in the first year approximate $54,000 and minimum exploration commitments per DOIR requirements approximate $373,000.

11. Management and Employment Contracts

The Company has entered into an employment contract with Mr Ian Mulholland. The contract is conditional upon the Company's shares being quoted on the ASX. Outstanding commitments from the date of listing of the Company on the ASX under the employment contract are estimated as follows:

	Note 2	Unaudited 31 Dec.'03 ($)	Unaudited Pro-forma 31 Dec.'03 ($)
Due 1 year		-	200,000
Due 1 to 2 years		-	200,000
Due 2 to 3 years		-	200,000
		-	600,000

Furthermore, there is a commitment to pay a minimum of $24,000 to Chatsworth Stirling Pty Ltd in the first year after ASX listing.

12. Share Options

Current on issue

5,250,000 share options exercisable at 20 cents per share on or before 31 January 2009.

Proposed to be issued

1,200,000 share options are proposed to be issued after listing of the Company on the ASX. The options will be exercisable at 20 cents each on or before three years from date of issue.

13. Accumulated Losses

	Note 2	Unaudited 31 Dec.'03 ($)	Unaudited Pro-forma 31 Dec.'03 ($)
Balance 31 Dec.'03		7,000	7,000
Additional administration costs	(j)	-	20,000
Balance (Pro-forma 31 Dec.'03)		7,000	27,000

Risk Factors

8.0

The Shares offered under this Prospectus are considered speculative. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares. In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks, which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

8.1 OPERATION AND DEVELOPMENT RISKS

By its nature, the business of exploration, mineral development and production, which the Company may participate in contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, and efficient financial management. Exploration is a speculative endeavour, and mining operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

8.2 GOVERNMENT POLICY

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy, which are beyond the control of the Company.

8.3 NATIVE TITLE

Both the Native Title Act 1993 (Commonwealth), related State native title legislation and aboriginal land rights and aboriginal heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims if lodged over any tenements acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage, it is not possible to quantify the impact (if any), which these developments may have on the operations of the Company.

8.4 COMMODITY PRICE RISK

The Company's future revenues will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for metal, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand

exploration, development and production activities as well as its ability to fund those activities.

8.5 ENVIRONMENTAL RISK

The Company's operations and projects are subject to State and Federal laws and regulations regarding environmental disturbance, hazards and discharge of hazardous waste and materials. The Company intends to conduct its activities in an environmentally responsible manner, in accordance with applicable laws and regulations.

8.6 SHARE MARKET RISK

The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular.

Neither the Company nor its Directors warrant the future performance of the Company or any return on investment in Shares.

8.7 FUTURE CAPITAL NEEDS AND ADDITIONAL FUNDING

The future capital requirements of the Company will depend on many factors. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund continued exploration and other Company objectives as stated in this Prospectus.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

8.8 TITLE

Two of the Company's tenements are subject to application for grant and the granted tenements will be subject to applications for renewal. The grant and renewal of the term of each tenement is at the discretion of the Western Australian Minister for Mines and Energy. An objection has been lodged against the application for expenditure exemption on mining lease 29/155 and, in addition, the same party that lodged the objection has lodged a plaint against the tenement seeking forfeiture of the mining lease in favour of the objector. This tenement (ML29/155) is low priority and does not affect the prospectivity of the Menzies Project as a whole if the plaint succeeds. If a tenement is not granted, renewed or subject to forfeiture the Company may suffer damage through loss of the opportunity to discovery and develop any mineral resources on that tenement.

Reference should be made to the Solicitor's Report in Section 6 for further restrictions that may be placed on the tenements.

Additional Information 9.0

9.1 COMPANY DETAILS

The Company was registered in Western Australia on 27 November 2003 with the aim to acquire a group of tenements from Deep Yellow and to ultimately list on ASX. The Directors expect that the Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

9.2 LEGAL PROCEEDINGS

The Directors are not aware of any litigation of a material nature pending or threatened, which may significantly affect the Company.

9.3 SUMMARY OF MATERIAL CONTRACTS

In the opinion of the Directors, the only contracts entered into by the Company, which are or may be material to the Offer, operation of the Company's business or otherwise to potential investors in the Company are the following contracts which are summarised below:

(a) Deep Yellow Sale Agreement

On 20 February 2004 Deep Yellow and Rox entered into the Agreement for Sale of Mining Interests pursuant to which Rox is to acquire all of Deep Yellow's interest in the Menzies and Lady Irene projects and take an assignment of Deep Yellow's rights and assume Deep Yellow's obligations under the agreement with Paddington Gold Pty Ltd, which is referred to in Section 9.3(b) of this Prospectus. Pursuant to the Agreement for Sale Rox has agreed to:

- pay a $50,000 non-refundable deposit fee to Deep Yellow, which sum has been paid;
- pay $450,000 cash to Deep Yellow upon the successful raising of working capital for Rox and approval to list on the ASX;
- issue of 2,500,000 Rox Shares to Deep Yellow at a deemed issue price of $0.20 each (value $500,000) upon approval to listing Rox on the ASX.

Rox will also pay any stamp duty required for the transfer of tenements, any cost differential that Deep Yellow may be exposed to as a result of Rox's request for Deep Yellow to expedite the acquisition of the 55% interest held by Placer Dome Asia Pacific (i.e. $70,000 rehabilitation differential) and other costs of the transaction such as the costs to Deep Yellow for the Extraordinary Meeting required to obtain Deep Yellow shareholder approval.

The offer is subject to a number of preconditions, listed below, all of which have been met, other than number (v):

(i) Deep Yellow acquiring the 55% of the project it currently does not own from Placer Dome Asia Pacific and finalising that transaction by 31 January 2004;

(ii) Deep Yellow gaining shareholder approval for the transaction by 31 January 2004;

(iii) the independent expert appointment for the purposes of (b) above, concluding that the consideration is fair and reasonable;

(iv) the successful raising of seed capital by Rox; and

(v) the successful listing of Rox on the ASX by 30 June 2004.

(b) Paddington Sale Agreement

On 22 December 2003 Deep Yellow and Paddington Gold Pty Ltd (a wholly owned subsidiary of Placer Dome) entered into an Agreement for the sale of mining interests pursuant to which Deep Yellow will acquire all of Paddington's interests in certain tenements (M29/14, 88, 153-155, 157, 188, 223) subject to:

(i) Paddington retaining a 100% interest in low grade stockpiles (289,879 tonnes at 1.11 g/t gold) and responsibility for all associated bonds and access roads for removal of the stockpiles.

(ii) the grant to Paddington of a 1% net smelter royalty on all gold produced from the tenements.

(iii) the grant to Paddington of a clawback right for any single measured and indicated resource exceeding 500,000 ounces that may be discovered on the tenements. The clawback entitles Paddington to purchase a 70% interest by paying the greater amount of $2,000,000 or three times exploration expenditure associated with the discovery by Deep Yellow, and

(iv) the grant to Paddington of a pre-emptive right to purchase any ore on competitive commercial terms that may be discovered and developed on the tenements.

Rox will sign a Deed of Assumption to replace Deep Yellow as a party to this Agreement.

Additional Information

(c) Consulting Agreements

Ian Mulholland Terms of Engagement

By letter dated 1 December 2003 Rox will engage the services of Mr Mulholland as Managing Director for a 3 year term commencing from the date of listing of the Company on the ASX on standard terms and conditions. The fees payable total $200.000 per annum including statutory superannuation.

The Executive's employment by the Company may be terminated by, amongst other things, the Company giving the executive three (3) months written notice of termination.

Upon the termination the executive agrees to return to the Company all documents and other information which belong to the Company.

Upon the termination noted above the Company agrees to pay the executive an amount equal to the salary owing for the remainder of the Term.

Chatsworth Stirling Pty Ltd

By letter dated 12 January 2004 Rox agreed to retain Chatsworth Stirling Pty Ltd to provide corporate advisory services as a consultant to Rox for 12 months. The total fees payable are $24,000 for up to 12 days of consultancy services at the rate of approximately 1 day per month. Chatsworth Stirling Pty Ltd is entitled to additional remuneration where it provides services in excess of those it has contracted to provide.

(d) Patersons Securities Limited

Patersons Securities Limited has agreed to act as Lead Manager to the Issue. Pursuant to the agreement Patersons Securities Limited will advise on the marketing process for the Issue including broker presentations, coordinate the Issue application process and post the prospectus on the Patersons Securities Limited website. Fees payable to Patersons Securities Limited will be:

- Lead Manager Fee — $30,000
- Management Fee — 1.0% of the total amount raised under the Issue
- Lodgement Fee — 5.0% on the amount raised by Patersons Securities Limited under the Issue.

9.4 EMPLOYEE SHARE OPTION PLAN

The Company has adopted the Rox Employee Share Option Plan ("ESOP") for the purpose of recognising the efforts of, and providing incentive to, employees of the Company. A summary of the full terms and conditions of the ESOP are set out below:

(a) Under the ESOP the Company may offer Options to subscribe for Shares in the Company to Eligible Persons. Directors and part time or full time employees of the Company are "Eligible Persons" for the purposes of the ESOP. Eligible Persons may nominate a nominee to hold Options in their place.

(b) The Board may determine that an Eligible Person is entitled to participate in the ESOP and the extent of that entitlement, after consideration of specified matters.

(c) Options offered under the ESOP are to be offered on such terms as the Board determines and the offer must set out specified information including the number of Options, the period of the offer and calculation of the exercise price. The exercise price is to be determined by the Board with reference to the market value of the Shares at the time of resolving to offer the Options or otherwise as determined by the Board. Eligible Persons may accept the whole or a lesser number of the Options offered to them.

(d) No consideration is payable for the grant of the Options unless the Board decides otherwise and the Company will not apply for Official Quotation of the Options.

(e) The Options are not transferable except to the Option Holders' personal representative in the event of the death of the holder of the Options, under an off market takeover bid, or under the compulsory acquisition provisions of the Corporations Act.

(f) The Options may be exercised in whole or part by notice to the Company accompanied by payment of the required exercise price. Within 10 Business Days of exercise the Board must issue the required number of Shares, which will rank pari passu with previously issued Shares.

(g) The Options may be exercised prior to the expiry date determined by the Board prior to the offer of the relevant Options but no longer than five years from the date of grant of the Options. Any Options not exercised by that time will lapse.

(h) Notwithstanding the terms of the Options, the Options may be exercised in the event of specified occurrences including a change of control allowing replacement of all or a majority of the Board or during the period of a takeover bid for the Company.

(i) If an Eligible Person ceases to be an Eligible Person prior to any of the Options becoming exercisable because they have been removed from office or dismissed without notice, has committed an act of fraud or gross misconduct in relation to the affairs of the Company or has done an act which brings the Company into disrepute, the Options held by them or their nominee will automatically lapse.

(j) If an Eligible Person ceases to be an Eligible Person prior to any of the Options becoming exercisable due to retirement (at age 60 or over), permanent disability, redundancy or death, the Board may, in its absolute discretion, waive or vary any conditions of exercise in regard to the Options held by that Eligible Person.

(k) Option Holders may only participate in new issues of securities if an Option has been exercised and Shares allotted before the record date for determining entitlements to the new issue. If there is a bonus issue the number of Shares over which the Options are exercisable will be increased by the number of Shares the Option Holder would have received if the Option had been exercised before the record date of the bonus issue. If there is a pro rata issue (other than a bonus issue), the exercise price of the Options will be adjusted in the manner provided for in the Listing Rules. If there is a reorganisation of capital the Options will be reorganised in the manner provided for in the Listing Rules.

(l) The Company shall not offer Options under the ESOP if the total number of Shares the subject of the Options to be offered will exceed 5% of the total number of issued Shares of that class when aggregated with:

(i) the number of Shares which would be issued with each outstanding offer or Option, being an offer made or Option acquired pursuant to the ESOP or any other employee share scheme extended only to employees or Directors, were exercised; and

(ii) the number of Shares issued during the previous five years pursuant to the ESOP or any other employee share scheme extended only to employees or Directors,

but disregarding any offer made, Option acquired or Share issued by way of or as a result of an offer under the ESOP to a person situated outside Australia; or an offer under the ESOP that did not need disclosure to investors because of section 708 of the Corporations Act; or an offer made under a disclosure document.

(m) The rules of the ESOP do not form part of any contract of employment of the Option Holder and the holder has no rights of compensation or damages as a result of termination of his or her employment so far as those rights arise from the holder ceasing to have rights under the ESOP.

(n) The ESOP is administered by the Board who have the power to determine procedures for administration of the ESOP and resolve questions of fact or interpretation of the ESOP. The Board may also alter, delete or add to the rules of the ESOP at any time, subject to the Listing Rules.

Additional Information

9.5 RIGHTS ATTACHING TO SHARES

There is only one class of share on issue in the Company being fully paid ordinary shares. The rights attaching to Shares in the Company are:

- set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law.

The following is a summary of the principal rights of the holders of Shares in the Company.

Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the chairperson of the meeting, by any 5 shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all shareholders having the right to vote on the resolution.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Subject to the rights of the holders of any Shares created or issued under any special arrangement as to dividend (at present there are none), any dividend as declared shall be payable on all Shares in accordance with Section 254W of the Corporation Act.

Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the ASX or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by the ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, other than a proper SCH transfer (a proper SCH transfer is a proper ASTC transfer as defined in the Corporations Regulations), where permitted by the Listing Rules. The Company must not refuse to register or give effect to or delay or in any way interfere with a proper SCH transfer of Shares or other securities.

Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.

Liquidation Rights

The Company has only issued one class of Share, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of shareholders divide the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's shareholders vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any Shares or other securities in respect of which there is any liability.

Shareholder Liability

As the shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

Listing Rules

If the Company is admitted to the Official List of the ASX, then notwithstanding anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.6 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with the ASIC and the issue of Shares in response to an electronic application form subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please e-mail the Company at admin@roxresources. com.au and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

9.7 DIRECTORS' INTERESTS

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or Shares or Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the formation or promotion of the Company or Offer.

Michael Blakiston is a partner in the firm of Blakiston & Crabb and a director and shareholder of Chatsworth Stirling Pty Ltd. Details of the fees paid by the Company to them for professional services provided since incorporation are set out in Section 9.12 of this Prospectus.

9.8 SHAREHOLDING QUALIFICATIONS

The Directors are not required to hold any Shares in the Company under the Constitution of the Company.

9.9 REMUNERATION OF DIRECTORS

The Constitution of the Company provides the non-executive Directors may collectively be paid remuneration for their services as a fixed sum not exceeding the maximum from time to time determined by the Company in general meeting ($150,000 per annum).

A Director may be paid fees or other amounts as the Directors determine when a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Companies associated with the Directors will receive fees from the Company. Particulars of these contracts are referred to in Section 9.3.

9.10 DIRECTORS HOLDINGS

Prior to lodgement of this Prospectus with ASIC, the Directors have a relevant interest in the following securities of the Company:

DIRECTOR	HOLDER OF SECURITIES	SHARES	OPTIONS
Michael Blakiston	Residuum Nominees Pty Ltd[1]	1,197,857	1,000,000
Alistair Cowden	Drumfrochar Pty Ltd[2]	2,250,000	1,250,000
Ian Mulholland	Ian Mulholland	1,200,000	3,000,000

Notes:

1 Residuum Nominees Pty Ltd is a company controlled by Michael Blakiston.

2 Drumfrochar Pty Ltd is a company controlled by Alistair Cowden.

Additional Information

9.11 TERMS OF OPTIONS

The Options issued to Directors referred to in sections 2.2 and 9.10 shall be subject to the following conditions:

1. No monies will be payable for the issue of the Options.

2. A certificate will be issued for the Options.

3. The Options shall expire on 31 January 2009 ("Expiry Date").

4. Subject to condition 12 each Option shall carry the right in favour of the Option holder to subscribe for one fully paid ordinary share in the capital of the Company ("Share"). Options may be exercised at any time during the period commencing from the date of grant and ending on 31 January 2009 ("Exercise Period").

5. Subject to condition 12 the Shares allotted to Option holders on exercise of the Options shall be issued at a price of 20 cents each ("Exercise Price").

6. Subject to condition 12 the Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.

7. Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the Option holder to:

   (a) exercise all or a specified number of Options; and

   (b) pay the subscription monies in full for the exercise of each Option.

   The notice must be accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.

8. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.

9. The Options shall be freely transferable.

10. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.

11. If the Company's Shares become listed on the ASX the Company shall in accordance with the Listing Rules of ASX make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.

12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O'= the new exercise price of the Option.

O= the old exercise price of the Option.

E= the number of underlying securities into which one Option is exercisable.

P= the average market price per share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.

S= the subscription price for a security under the pro-rata issue.

D= the dividend due but not yet paid in the existing underlying securities (except those to be issued under the pro-rata issue).

N= the number of securities with rights or entitlements that must be held to receive a rights to one new security.

13. In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.

14. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.

15. The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

9.12 INTERESTS OF NAMED PERSONS

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

- Blakiston & Crabb has acted as solicitors to the Offer and has been involved in undertaking due diligence enquiries for the preparation of the Prospectus and providing legal advice to the Company in relation to the Offer. In respect of this work, the Company will pay approximately $6,000 (plus GST) for services in relation to the Prospectus.
- Malcolm Castle has prepared the Independent Report on Geology and Exploration included in this Prospectus. The cost of this work, including fees, drafting, travel and sundries will be approximately $5,000 (plus GST).
- Stanton Partners Corporate Pty Ltd has acted as the independent accountant to the Offer and in that capacity has prepared the Independent Accountant's Report included in this Prospectus. In respect of this work, the Company will pay approximately $5,000 (plus GST).
- Ernst & Young has agreed to act as auditors to the Company and will be paid fees for rendering these and other accounting services.
- Chatsworth Stirling Pty Ltd has acted as corporate adviser to the Offer and has been involved in undertaking due diligence enquiries for the preparation of the Prospectus and providing corporate advice to the Company in relation to the Offer. In respect of this work and ongoing corporate advice, the Company will pay $24,000 (plus GST) per annum to Chatsworth Stirling Pty Ltd.
- Steinepreis Paganin has prepared the Solicitor's Report included in this Prospectus. In respect of this work, the Company has agreed to pay approximately $10,000 (plus GST).
- Patersons Securities Limited is Lead Manager to the Issue and will be paid a Lead Manager Fee of $30,000 plus a 1% Management Fee on the amount raised, plus 5% (plus GST) of any Application bearing its stamp.

9.13 CONSENTS

Each of the parties referred to in this Section 9.13:

(a) does not make the Offer;

(b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and

(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

- Steinepreis Paganin has given its written consent to being named as solicitor reporting on the tenements and to the inclusion of the Solicitor's Report in Section 6 of this Prospectus and any electronic version of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Steinepreis Paganin has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- Malcolm Castle has given his written consent to being named as the Independent Geologist to the Company and to the inclusion of the Independent Report on Geology and Exploration in Section 5 of this Prospectus and any electronic form of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Malcolm Castle has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- Stanton Partners Corporate Pty Ltd has given its written consent to be named as Independent Accountant and to the inclusion of the Independent Accountant's Report in Section 7 of this Prospectus and any electronic version of this Prospectus in the form and context in which the report is included and all statements referring to that report in the form and context in which they appear. Stanton Partners Corporate Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Additional Information

- Deep Yellow Limited has given its written consent to all references to Deep Yellow Limited in this Prospectus and any electronic version of this Prospectus in the form and context in which those references are included and all statements included in this Prospectus and any electronic version of this Prospectus on the basis of statements by Deep Yellow Limited in the form and context in which those statements are included.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus:

- Blakiston & Crabb as solicitors to the Offer;
- Chatsworth Stirling Pty Ltd as corporate advisers to the Company;
- Stanton Partners Corporate Pty Ltd as Independent Accountant;
- Ernst & Young as auditor of the Company;
- Malcolm Castle as independent geologist;
- Patersons Securities Limited as Lead Manager to the Issue;
- Steinepreis Paganin as solicitor reporting on tenements; and
- Computershare Investor Services Pty Ltd as share registry.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

9.14 COSTS OF THE ISSUE

The total estimated costs of the Issue, including legal fees incurred, registration fees, fees to stockbrokers, fees for other advisors, prospectus design, printing and advertising expenses and other miscellaneous expenses will be approximately $300,000 (exclusive of any goods and services tax which may be payable on that amount).

9.15 DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated 23 February 2004

Signed for and on behalf of
Rox Resources Limited

by Ian Mulholland
Managing Director

Key Definitions 10.0

"Applicants"
means persons who submit an Application Form;

"Applications"
means an application for Shares;

"Application Form"
means an application form contained in or accompanying this Prospectus;

"ASX"
means the Australian Stock Exchange Limited;

"ASIC"
means Australian Securities and Investments Commission;

"Board"
means the board of directors of the Company;

"Company" or **"Rox"**
means Rox Resources Limited ACN 107 202 602;

"Corporations Act"
means the Corporations Act 2001 of Australia;

"Deep Yellow"
means Deep Yellow Limited ACN 006 391 948;

"Deep Yellow Sale Agreement"
means the agreement described in Section 9.3(a) of this Prospectus;

"Directors"
means the directors of Rox;

"Issue"
means the offering and issue of Shares pursuant to this Prospectus;

"Listing Rules"
means the Listing Rules of the ASX;

"Public Offer"
means the offer of up to 20,000,000 Shares under this Prospectus as set out in Section 2 of this Prospectus;

"Official List"
means the official list of ASX;

"Opening Date"
means the date on which the Offer opens;

"Options"
means the 5,250,000 options to acquire a Share issued to the parties referred to in Sections 2.2 and 9.10 on the terms and conditions set out in Section 9.11 of this Prospectus;

"Priority Offer"
means the offer of up to 5,000,000 Shares to Deep Yellow shareholders under this Prospectus as set out in Section 4 of this Prospectus;

"Prospectus"
means this Prospectus dated 23 February 2004 for the Public Offer and the Priority Offer;

"SCH Business Rules"
means the business rules of Securities Clearing House; and

"Shares"
means ordinary fully paid shares in the capital of the Company.

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PUBLIC OFFER APPLICATION FORM
ACCOMPANYING THE PROSPECTUS DATED 23 FEBRUARY 2004

ROX RESOURCES

ROX RESOURCES LIMITED
ABN 53 107 202 602

Share Registrars use only

Please read all instructions on reverse of this form

Broker reference – stamp only

Broker code	Adviser Code

A Number of Shares applied for
minimum 10,000 and then multiples of 500 Shares.

At $0.20 per Share =

B Total amount payable
cheque(s) to equal this amount

A$

you may be allocated all of the Shares above or a lesser number

C Full name details title
given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D Full postal address

Number/Street

Suburb/town

State/postcode

E Contact Details

Contact Name

Contact daytime telephone number

Contact email address

F CHESS HIN (if applicable)

G Cheque payment details
please fill out your cheque details and make your cheque payable to "**Rox Resources Limited-Share Issue Account**"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

H Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for ordinary shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Rox Resources Limited; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 23 February 2004 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to the Rox Resources Limited Public Share Offer Application Form

This Application Form relates to the Offer of up to 25,000,000 ordinary Shares at $0.20 per Share pursuant to the Prospectus dated 23 February 2004. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus.

The Prospectus contains information about investing in Rox Resources Limited and it is advisable to read this document before applying for Shares.

A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable).

While the Prospectus is current, Rox Resources Limited will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained in the table below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 500 Shares.

B Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by $0.20.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that are presently registered in the CHESS system.

D Please enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

E Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

F Rox Resources Limited will apply to the ASX to participate in CHESS, operated by the ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the Company will operate an electronic CHESS subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of securities allotted.

If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHESS subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement.

Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you.

For Further information refer to the relative section of the Prospectus.

G Please complete cheque details as requested:

Make your cheque payable to "Rox Resources Limited-Share Offer Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank.

The amount should agree with the amount shown in Section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

H Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Rox Resources Limited upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications

Return your completed Application Form with cheque(s) attached:

By post to: Patersons Securities Limited
GPO Box W2024
Perth WA 6846

Or delivered to: Patersons Securities Limited
Level 23, Exchange Plaza
The Esplanade
Perth WA 6000

Application Forms must be received no later than 5.00 pm WST time on 2 April 2004.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Rox Resources Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult: do not use the name of a minor	John Alfred Smith Peter Smith	<Peter Smith>
Company Use company title, not abbreviations	ABC Pty Ltd ABC Co	ABC P/L
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnership Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

ROX RESOURCES

ROX RESOURCES LIMITED
ABN 53 107 202 602

Share Registrars use only

Please read all instructions on reverse of this form

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Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor	John Alfred Smith Peter Smith	<Peter Smith>
Company Use company title, not abbreviations	ABC Pty Ltd ABC Co	ABC P/L
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
[illegible] Use partners personal names, do not use the name of the partnership	[illegible] Michael Smith <John Smith and Son A/C>	[illegible]