



ASX RELEASE
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Drilling Commenced and Resource Upgrade Completed

DRILLING COMMENCED

Rox is continuing exploration at Menzies to build its resource inventory. RC drilling of 21 holes for about 1,100 metres commenced this week to follow-up high-grade hits from recent drilling programmes of **13m @ 9.9 g/t Au** (at Bonnie Jean), **5m @ 12.8 g/t Au** (Wedderburn), **2m @ 8.6 g/t Au** (Lady Shenton North), and **1m @ 7.8 g/t Au** (Ballarat Menzies).

Rox is also drilling 21 RC holes for about 840 metres to test laterite nickel mineralisation to the west of Yunndaga.

RESOURCE ESTIMATES

Rox Resources Limited (ASX code RXL, "Rox") has completed a new resource estimate at Menzies following its initial drilling programmes. The new estimates were used as the basis of a preliminary evaluation of mining options.

The results are pleasing, with an 11% increase in contained ounces of gold compared to the previous estimate, and an increase in confidence with approximately 77% of the resource now classified as Measured or Indicated. The new resource estimates, reported at a lower cut-off of 1 g/t Au are shown in the table below.

Category	New			Previous		
	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
Measured	75,000	2.3	5,500	98,000	2.8	8,900
Indicated	1,559,000	2.5	124,900	810,000	2.9	75,600
Inferred	494,000	2.6	40,500	825,000	2.6	69,100
TOTAL	2,128,000	2.5	170,900	1,734,000	2.8	153,600

Appendices 1 & 2 show the results in more detail. Resource estimation methodology is described in Appendix 3.

PIT OPTIMISATIONS

It was previously recognised that high-grade portions of the resources lying below the open pits may be amenable to exploitation by either underground mining or extensions/cutbacks to the existing open pits. Pit optimisations were run to evaluate how much might be extractable by open pit, to target any in-fill drilling required (particularly at the 86,000 ounce Yunndaga deposit), and to determine where the open-pit to underground transition might be for each deposit.

A series of gold prices ranging from A\$500/oz to A\$700/oz were used in the optimisations and it was assumed that contract mining and toll treatment would be the preferred path for development.

While the optimisations were run primarily as a tool to begin assessment of various development options, they showed that at a gold price of A\$575/oz, 185,000 tonnes at a grade of 4.4 g/t Au yielding 24,200 ounces may be profitably mined. This result exceeded the Company's expectations.

However, this is only a preliminary result, and more information will be needed before any definite statements about mining options can be made. For example, in-fill drilling of sparsely drilled areas may increase grades, while a portion of the optimised resources may not be able to be mined due to back-filling of open pits, previous unaccounted for underground mining and geotechnical issues.

Rox will continue to examine the alternatives, including underground mining and on-site treatment as a means of maximising the value of the remaining exploitable resources.

ABOUT ROX

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

- END -

FOR FURTHER INFORMATION CONTACT:

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

APPENDIX 1

Menzies Total Resources

Prospect	Measured		Indicated		Inferred		Total		Metal
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Ounces
Lady Irene	5,027	3.21	54,362	3.29	35,044	4.74	94,433	3.82	11,610
Selkirk*			4,015	3.30	14,041	7.09	18,056	6.25	3,627
Lady Sherry	11,800	1.70	13,011	2.29	6,000	1.40	30,811	1.89	1,873
First Hit*			70,492	3.23	69,036	3.08	139,528	3.16	14,157
Aspacia			7,000	3.40	12,000	3.20	19,000	3.27	2,000
Lady Shenton*			260,626	2.99	20,929	4.17	281,555	3.08	27,860
Golden Age	24,500	2.10	9,474	1.65	4,000	1.20	37,974	1.89	2,311
Unknown	22,000	2.30	5,654	2.78	3,500	1.90	31,154	2.34	2,346
South Dump	12,000	2.70	7,500	2.92	2,000	2.30	21,500	2.74	1,894
Warrior			50,150	1.84	0	0.00	50,150	1.84	2,967
Lady Harriet*			132,305	3.08	13,420	2.82	145,725	3.06	14,318
Yunndaga*			944,604	2.20	313,943	1.89	1,258,547	2.12	85,890
Grand Total	75,327	2.27	1,559,193	2.49	493,913	2.55	2,128,433	2.50	170,853

* New resource estimate

Totals may not add up due to rounding.

Figures are rounded in summary tables and for public reporting.

High-grade cuts were applied at different values for different deposits (see Appendix 3) depending on grade distribution statistics

APPENDIX 2

Comparison of New Resource Estimates with Previous Resource Estimates

Deposit	Previous			Current			Change Ounces Au
	Tonnes	Grade g/t Au	Ounces Au	Tonnes	Grade g/t Au	Ounces Au	
Lady Irene	94,433	3.82	11,610	94,433	3.82	11,610	0
Selkirk*	18,000	8.95	5,201	18,056	6.25	3,627	-1,574
Lady Sherry	30,811	1.89	1,873	30,811	1.89	1,873	0
First Hit*	71,500	4.56	10,477	139,528	3.16	14,157	+3,680
Aspacia	19,000	3.27	2,000	19,000	3.27	2,000	0
Lady Shenton*	440,000	3.05	43,211	281,555	3.08	27,860	-15,351
Golden Age	37,974	1.89	2,311	37,974	1.89	2,311	0
Unknown	31,154	2.34	2,346	31,154	2.34	2,346	0
South Dump	21,500	2.74	1,894	21,500	2.74	1,894	0
Warrior	50,150	1.84	2,967	50,150	1.84	2,967	0
Lady Harriet*	89,500	1.79	5,149	145,725	3.06	14,318	+9,169
Yunndaga*	830,000	2.42	64,527	1,258,547	2.12	85,890	+21,363
Total	1,734,059	2.75	153,566	2,128,433	2.50	170,853	+17,287

* New resource estimate

Totals may not add up due to rounding.

Figures are rounded in summary tables and for public reporting.

High-grade cuts were applied at different values for different deposits (see Appendix 3) depending on grade distribution statistics

APPENDIX 3

Resource Estimation Methodology

The Lady Shenton, Yunndaga and Lady Harriet resource estimates were undertaken by Resource Evaluations Pty Ltd, while First Hit and Selkirk were completed by Rox and audited by Resource Evaluations.

Resource estimates by Resource Evaluations Pty Ltd used Inverse Distance Cubed (ID^3) grade interpolation, constrained by resource outlines based on mineralisation envelopes prepared using a nominal cut-off grade of 0.5 g/t Au and a minimum down hole length of 3m. Block dimensions were 10m NS x 5m EW x 2.5m vertical with sub-cells of 5m x 2.5m x 1.25m.

Drill data were from the drill database provided by Paddington Gold Pty. Ltd., which was checked and validated by IO Digital Pty. Ltd. The database included exploration/resource definition drilling as well as grade control drilling. Some additional holes drilled recently by Rox were also included. Holes were mostly drilled by reverse circulation (RC) with down hole sampling on 1m and 2m intervals. For resource estimation, samples were composited either to 1m or 2m intervals (depending on the deposit).

A search ellipse of 30m x 30m x 3m radius was used for the first pass of grade interpolation followed by a second pass at 60m, and a third pass at 120-150m. The search ellipse was orientated along the dip and strike of mineralisation. Bulk density values of 1.9 t/m³, 2.3 t/m³ and 2.75 t/m³ were used for oxide, transitional and fresh material respectively. No dilution was modelled.

Resources were classified as Indicated if the drilling pattern was closer than or equal to 20m x 20m, with Inferred classified from this limit up to 100m x 100m (but only if geological continuity was reasonable).

High-grade cuts were 20 g/t Au for Lady Harriet, 25 g/t Au for Lady Shenton, and 30 g/t Au for Yunndaga.

For the resource estimates carried out by Rox, the parameters used were identical to those above except for:

- Sample Quality Control, where examined, showed good repeatability between duplicate samples.
- Minimum down hole interval was 2m with maximum internal dilution of 2m for the 0.5 g/t Au grade envelope.
- Block size of 5m NS x 5m EW x 2.5m vertical was used, with sub-blocks of 2.5m x 2.5m x 1.25m.
- High-grade cuts were 60 g/t Au for Selkirk, and 25 g/t Au, 32 g/t Au and 40 g/t Au for three different domains modelled in the First Hit deposit.

Pit Optimisation Parameters

The optimisations were undertaken by Intermine Consultants who used the following mining, transport and milling costs, based on industry "standard" costs and/or enquiry. The royalty scheme was the 1% NSR payable to Paddington Gold. Input from a recent geotechnical review by Snowden Mining Industry Consultants was used to determine pit slopes etc.

Milling	\$20/t (estimate of toll milling cost at Paddington or Davyhurst)
Transport	\$7/t (estimate based on use of 100km bitumen road to Paddington @ \$0.07/t.km, or 63km gravel road to Davyhurst @ \$0.11/t.km)
Administration	\$1/t (estimate)
Mining	\$1.50/t (estimated for ore and/or waste)
Recoveries	90% mining, 92% metallurgical (data from previous operator)

