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Nickel – copper

Ayshia

Copper – zinc

Mt Oscar

JV Iron ore

Star of Mangaroon

Gold

Fox Resources Coking Coal Exploration Program commences at Bundaberg EPC 1523 early May 2013

Highlights

- Drilling program includes seven (7) exploration holes
- Hard coking coal discovered on adjacent International Coal Ltd EPC 2196 tenement (ASX:ICX) refer ICX ASX Announcement 25 March 2013
- Historical coal exploration drilling in the 1980's indicated coal intersections on the Bundaberg tenement at shallow depths (<150m)
- Excellent access to infrastructure and near Bundaberg

Background to the Bundaberg Drilling Program

Fox Resources is pleased to announce its first drilling program on their coking coal project on the Bundaberg EPC 1523 tenement commences the first week May 2013. This tenement is 100% owned by Fox Resources and all the coal tenements will shortly be transferred into Fox's wholly owned coal subsidiary Waterford Coal Pty Ltd.

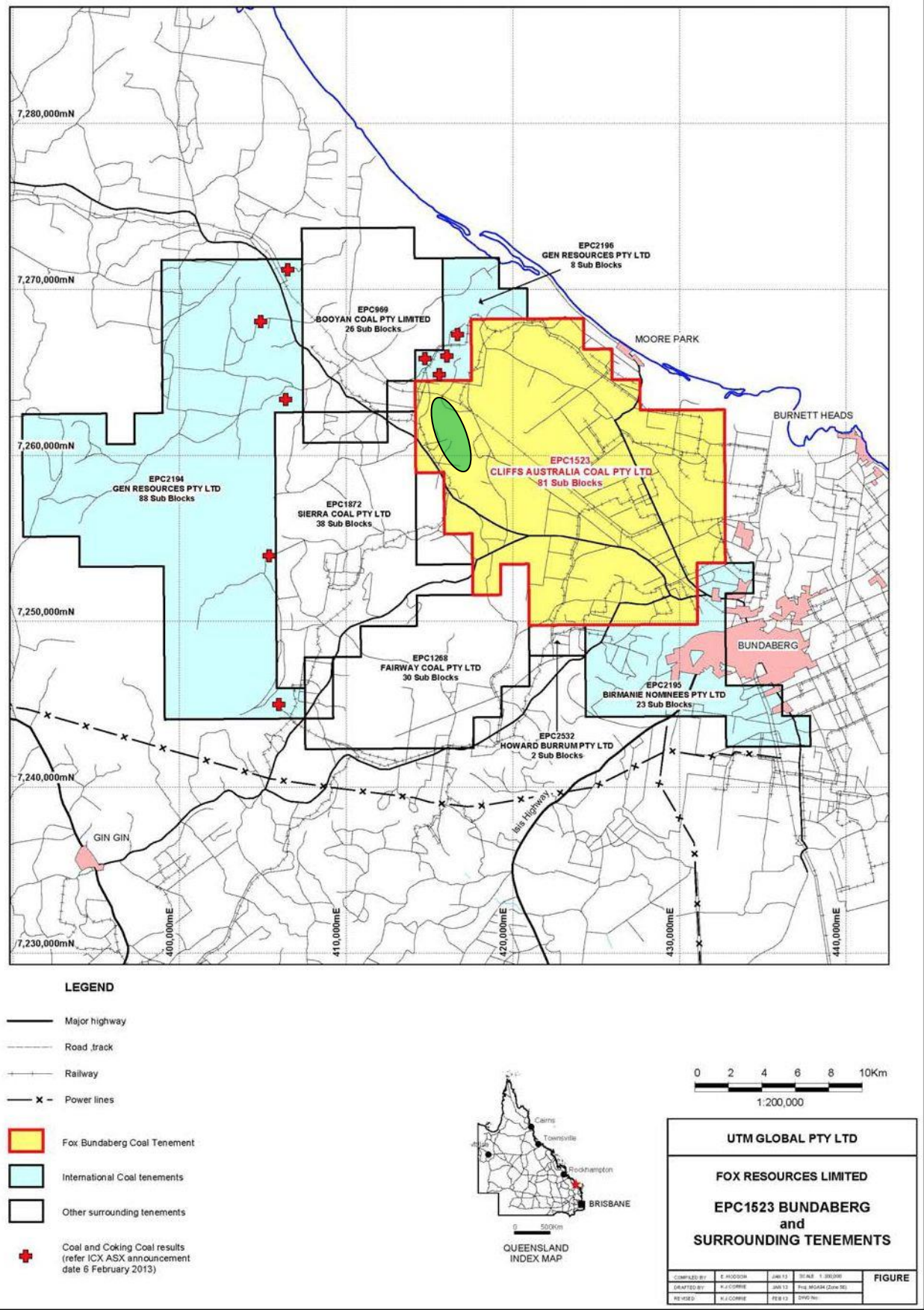
Based on several recent geological consultants' reports for Fox Resources Limited and previous investigations, recommendations were made that the most promising area within EPC 1523 (See **Figure 1**) for discovery of coking coal resources is a 15km north-south corridor along the western margin of the EPC.

This corridor is shown in (**Figure 2**) and has the potential to host a coking coal deposit in the order of that discovered recently by the International Coal (ICX) / Queensland Coal Investments (QCI) Joint Venture.

This ICX Joint Venture announced to the ASX on the 25TH March 2013 an Inferred Resource of 28.5Mt to the JORC standard and a further down-dip estimate of 20 – 40 Mt Exploration Target range within the neighbouring EPC 2196 tenement.

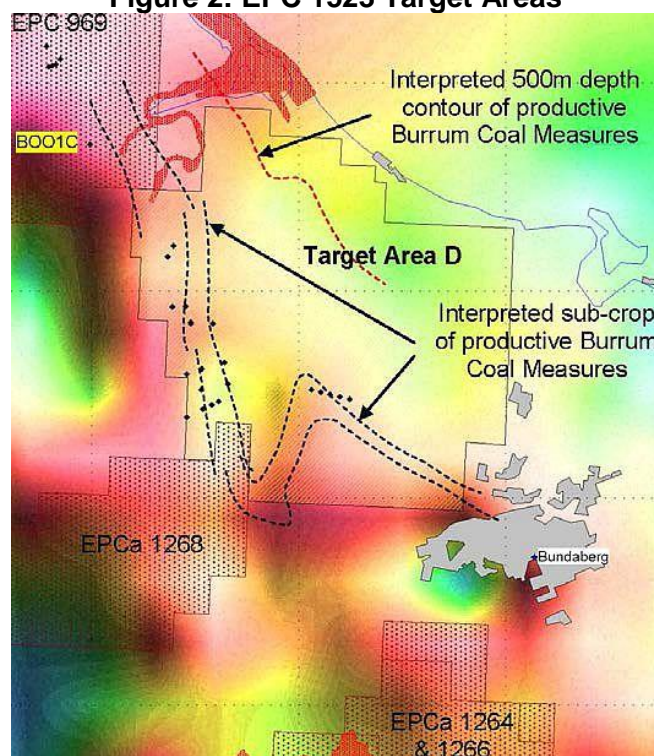
Modern-day drilling, with accurate survey and comprehensive downhole geophysical logging is required to move forward with resource estimation within this tenure

Figure 1: Relationship of EPC 1523 to Bundaberg, also showing general Drilling program area.



Source: Fox Resources Limited

Figure 2: EPC 1523 Target Areas



Source: Fox Resources Limited 2012

Multiple coal seams ranging from 0.2m to 2m thick may be present over a stratigraphic interval of 5 to 20 metres. The available coal quality test work indicates that prime coking coal is potentially present. The Independent Geological consultant was of the opinion exploration within this EPC will require a high level of compliance and will come under close scrutiny from the permitting authorities. Coal intersection distributions are recorded in **Table 1** and **Figures 3 and 4**, below:

Table 1: Borehole intersections of main coal seams in EPC 2196, adjacent to the north

BUN006C	231.55	231.75	E2	0.20	coal
BUN006C	232.53	232.70	E3	0.17	coal & coaly siltstone
BUN006C	236.52	237.11	F	0.59	coal
BUN006C	240.26	241.34	GU	1.08	coal
BUN006C	243.30	244.38	GL1	1.08	coal
BUN006C	244.38	244.90		0.52	carbonaceous siltstone
BUN006C	244.90	245.80	GL2	0.90	coal
BUN006C	260.59	260.85	H1	0.26	coal
BUN006C	261.91	262.09	H2	0.18	coal
BUN010C	234.54	234.83	E1	0.29	coal
BUN010C	235.72	236.12	E2	0.40	coal
BUN010C	236.93	237.34	E3	0.41	coal & coaly siltstone
BUN010C	238.08	238.29	F	0.21	coal
BUN010C	240.88	242.36	GU	1.48	coal
BUN010C	243.25	244.36	GL1	1.11	coal
BUN010C	244.36	244.50		0.14	coaly shale
BUN010C	244.50	244.55		0.05	tuff
BUN010C	244.55	245.86	GL2	1.31	coal
BUN010C	261.12	261.45	H1	0.33	coal
BUN010C	261.70	261.96	H2	0.26	coal
BUN011C	410.87	411.04	E1	0.17	coal
BUN011C	412.35	412.67	E2	0.32	coal
BUN011C	413.32	413.69	E3	0.37	coal
BUN011C	413.83	414.22	F	0.39	coaly shale
BUN011C	417.76	419.01	GU	1.25	inferior coal
BUN011C	420.34	420.69	GL1	0.35	coal
BUN011C	420.69	420.93	GL2	0.24	coal
BUN011C	425.42	425.95	H1	0.53	coal
BUN011C	426.91	427.38	H2	0.47	inferior coal

Source: ICX/QCI JV ASX release 25 March 2013, p10

Figure 3: EPC 1523 Seam thickness from historical borehole intersections (F, GU)

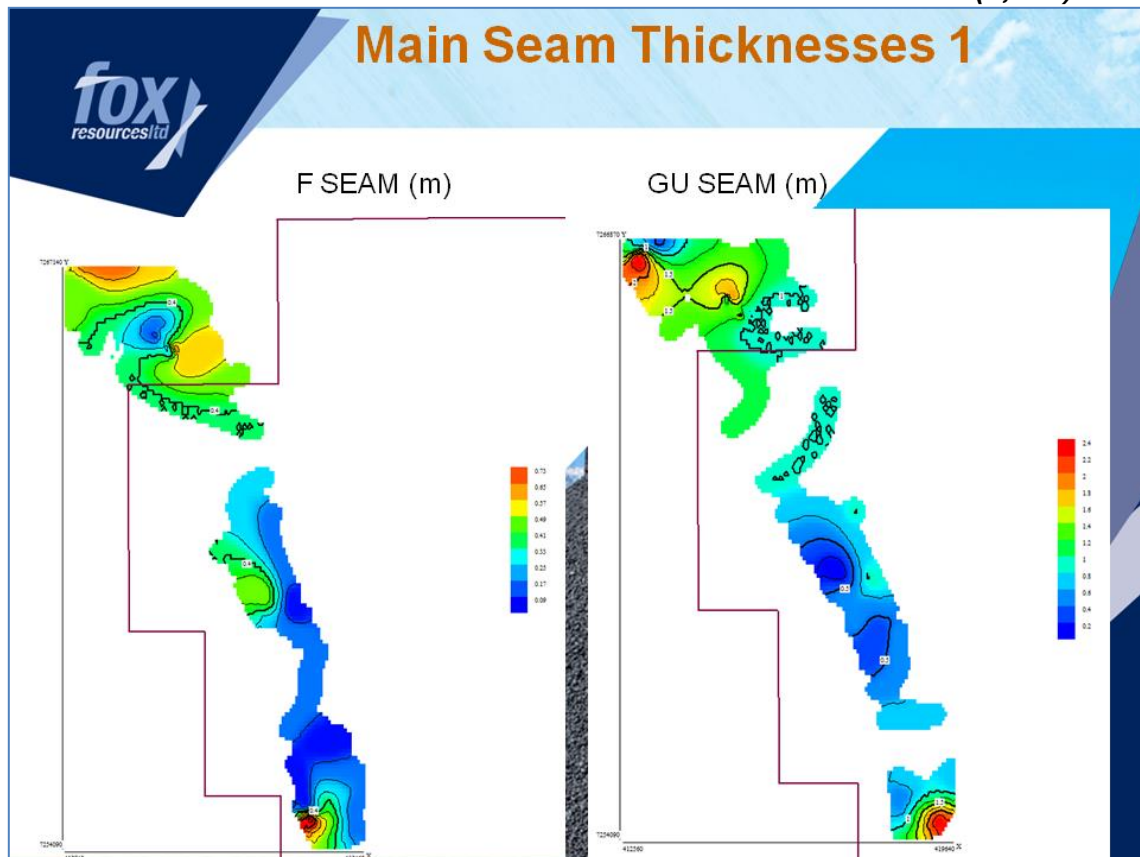
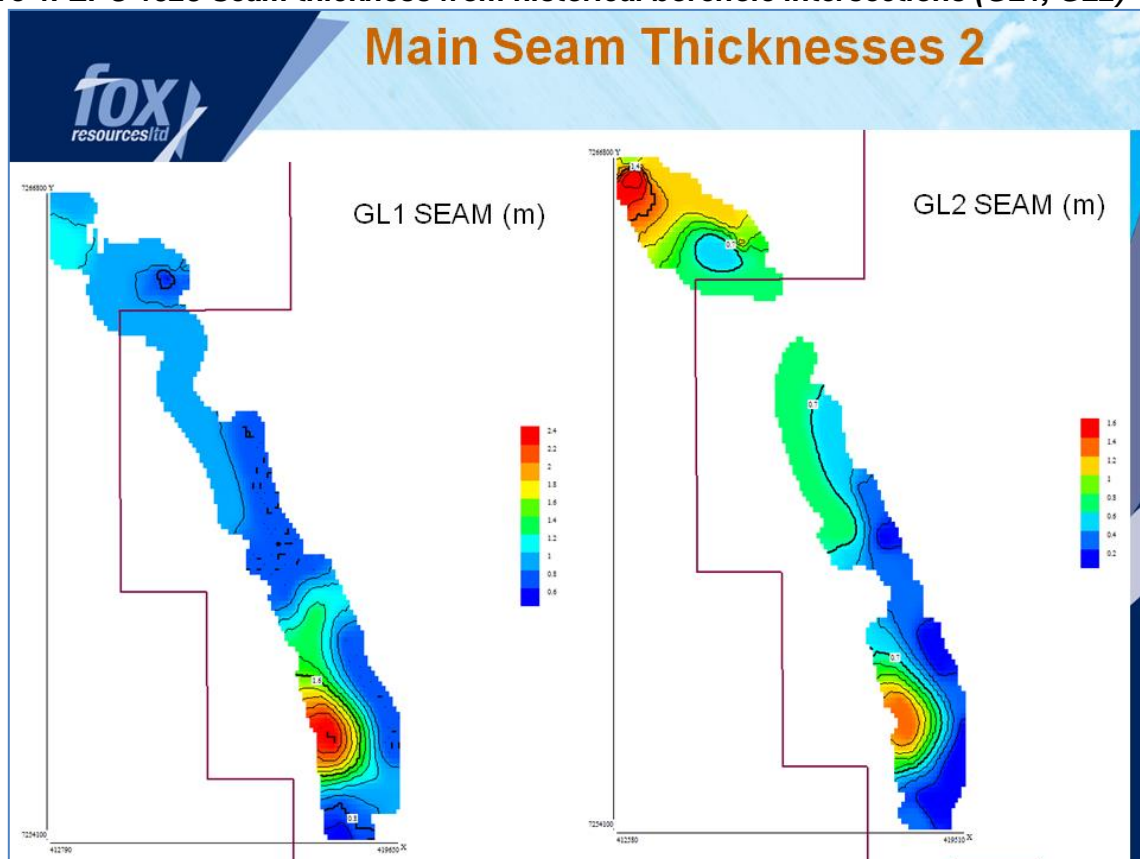


Figure 4: EPC 1523 Seam thickness from historical borehole intersections (GL1, GL2)



Source Figures 3&4: Fox Resources Limited 2013

Details of the Drilling Program

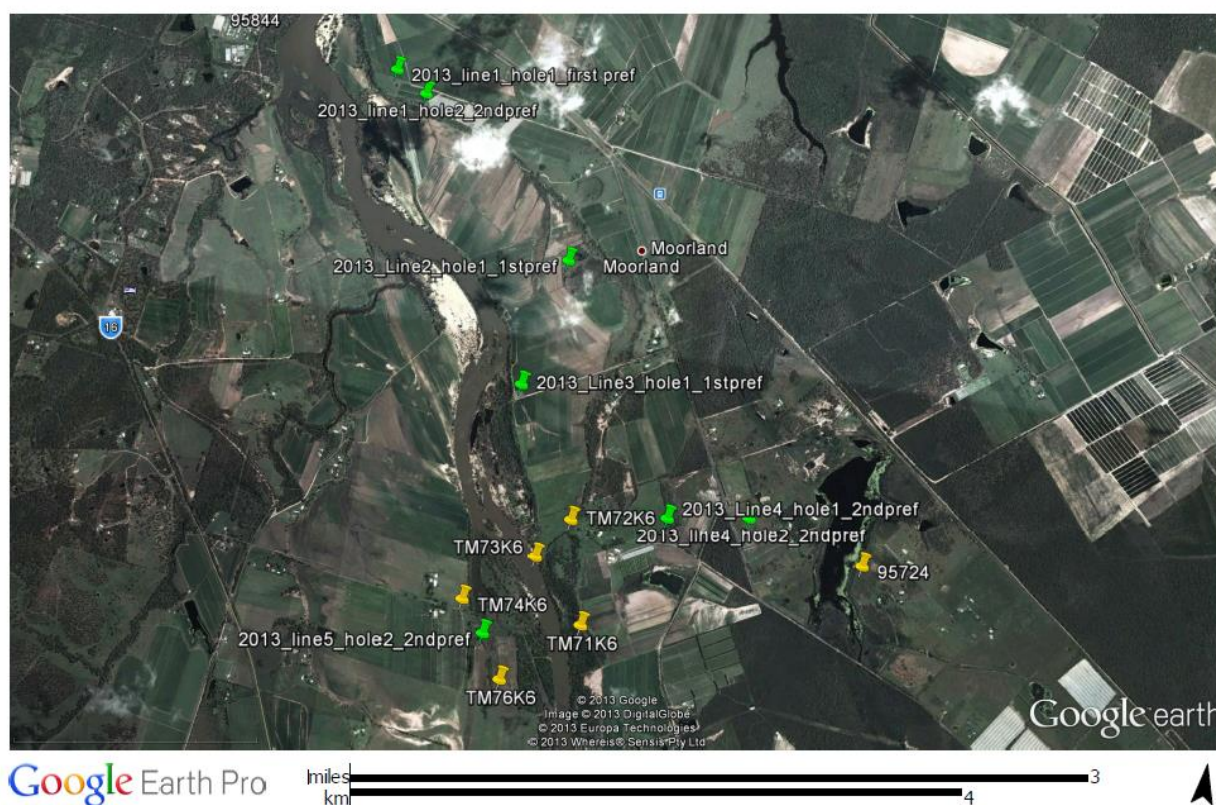
The objectives of the drilling program are as follows:

- Seven (7) drill holes to varying depths along five (5) nominal west-to-east-lines (**Table 2**);
- Rotary chip and hammer, geophysically logged
- Identify if seams intersected at depths of 250m in EPC 2196 (ICX/QCI JV) extend into EPC 1523, and are continuous with and correlate to those intersected in historical 1970's – 1980's drilling;
- Drill holes completed will enable a structural model to be generated so as to allow resource calculation;
- Spacing and depths planned to allow JORC Reporting of Inferred Status should suitable coal seams be intersected;
- Meets DNRM Expenditure commitment on EPC 1523
- Minimal site impact (**Figure 5**).

Table 2: EPC 1523 Proposed Drilling Program

idx_#	Name	X_GDA94_Z56	Y_GDA94_Z56	AHD	Planned Depth (m)
1	2013_line1_hole1_1st pref	416008	7262885	10	250
2	2013_line1_hole2_2NDpref	416240	7262742	10	350
3	2013_Line2_hole1_1stpref	417412	7261728	10	350
4	2013_Line3_hole1_1stpref	417232	7260846	10	350
5	2013_Line4_hole1_2NDpref	418443	7260012	10	250
6	2013_line4_hole2_2NDpref	418716	7260335	10	300
7	2013_line5_hole1_2NDpref	417520	7259180	10	400

Figure 5: EPC 1523 Google Earth image of borehole locations, Moorlands Rd area



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Fox Resources (ASX: FXR) is an exploration company with substantial exploration interests in the Queensland Coal region and the Pilbara region of Western Australia.

Fox Resources has acquired 100% interests in 16 granted coal exploration tenements (EPCs) and a single EPC application previously held by Currawong Coal Pty Ltd, a joint venture of Cliff's Natural Resources Pty Ltd, Conarco Minerals Pty Ltd and XLX Pty Ltd.

Fox's Western Australian exploration programme also covers a number of prospective base metal and gold targets, a magnetite project at Mt Oscar, located 25km south of the port at Cape Lambert which is a Joint Venture with Magnetic South Pty Ltd, Radio Hill, Sholl and Ayshia deposits, and the Pilbara Minerals joint venture tenements.