ABN 44 079 902 499

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DIAMOND CORE CONFIRMS COAL AT FOX'S BUNDABERG COKING COAL PROJECT

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Projects:

Queensland
Coal

Radio Hill
Nickel – copper

Sholl
Nickel – copper

Ayshia
Copper – zinc

Mt Oscar
JV Iron ore

Star of Mangaroon
Gold

Highlights:

- **The twin drill hole of Fox 6 with diamond core confirms multiple coal seams at the Bundaberg Coking Coal Project.**
- **Fox 6 intersected three separate coal seams totalling 2.4m of coal over a 4.4m interval from 271m. The twin of this hole, Fox 6Q, was drilled to obtain samples for coal quality testing and has confirmed the intersected coal seams at Fox 6.**
- **Samples have been dispatched for Coal Quality testing for both thermal and coking properties. Results are expected early next year.**
- **The planned drilling program is now expected to be completed in the new year.**

Fox Resources Ltd (**ASX Code: FXR**) is pleased to announce the diamond drill hole (Fox 6Q) twinning the previously announced chip hole (Fox 6) that intersected coal within the Bundaberg Coking Coal Project on EPC 1523 (100% FXR) has intersected the same coal seams.

The first drill hole, labelled Fox 6 in Figure 1 below, intersected multiple coal seams including 0.8m from 271.3m, 1.62m from 274.1m and 0.9m from 280.3m. When including partings between the seams the total intersection was 2.4 metres over a 4.4 metre interval.

The diamond core hole twinning the initial hole has intersected the same coal seams with samples of the various seams and partings dispatched for Coal Quality analysis standard proximate, total sulphur, phosphorous, and calorific value content and CSN testing. If sufficient sample remains a single cut product will be generated at cumulative float density 1.45 and tested for a range of clean composite coking properties.

Given the dip and strike of the seams the true thickness is interpreted to be >95% of the down hole thickness. Several thin <50cm coal seams were also intersected above the main coal seams however these have not been sampled. Several photographs of the coal seams are attached as Figure 2 & Figure 3.

The hole has been geologically logged with geophysical logging to be undertaken for gamma, density and resistivity.

Upon completion of the twinned diamond hole at Fox 6, the drill rig will relocate to the north-western area of the tenement to complete the remainder of the proposed drill program. Due to weather delays and minor breakdowns of the drilling equipment, it is anticipated the drilling program consisting of up to 7 drill holes in the area as shown in Figure 1 below will be completed in the new year.

Fox's Chairman, Mr Terry Streeter said "Given the continuity of the coal seams intersected in both the initial hole and the follow-up diamond core hole, the Company is highly encouraged by the recent resource upgrade announced by International Coal on the adjacent tenement (ICX ASX release 17 December 2013). We look forward to completing the drilling program and hope to progress toward a maiden resource estimate on our tenement."

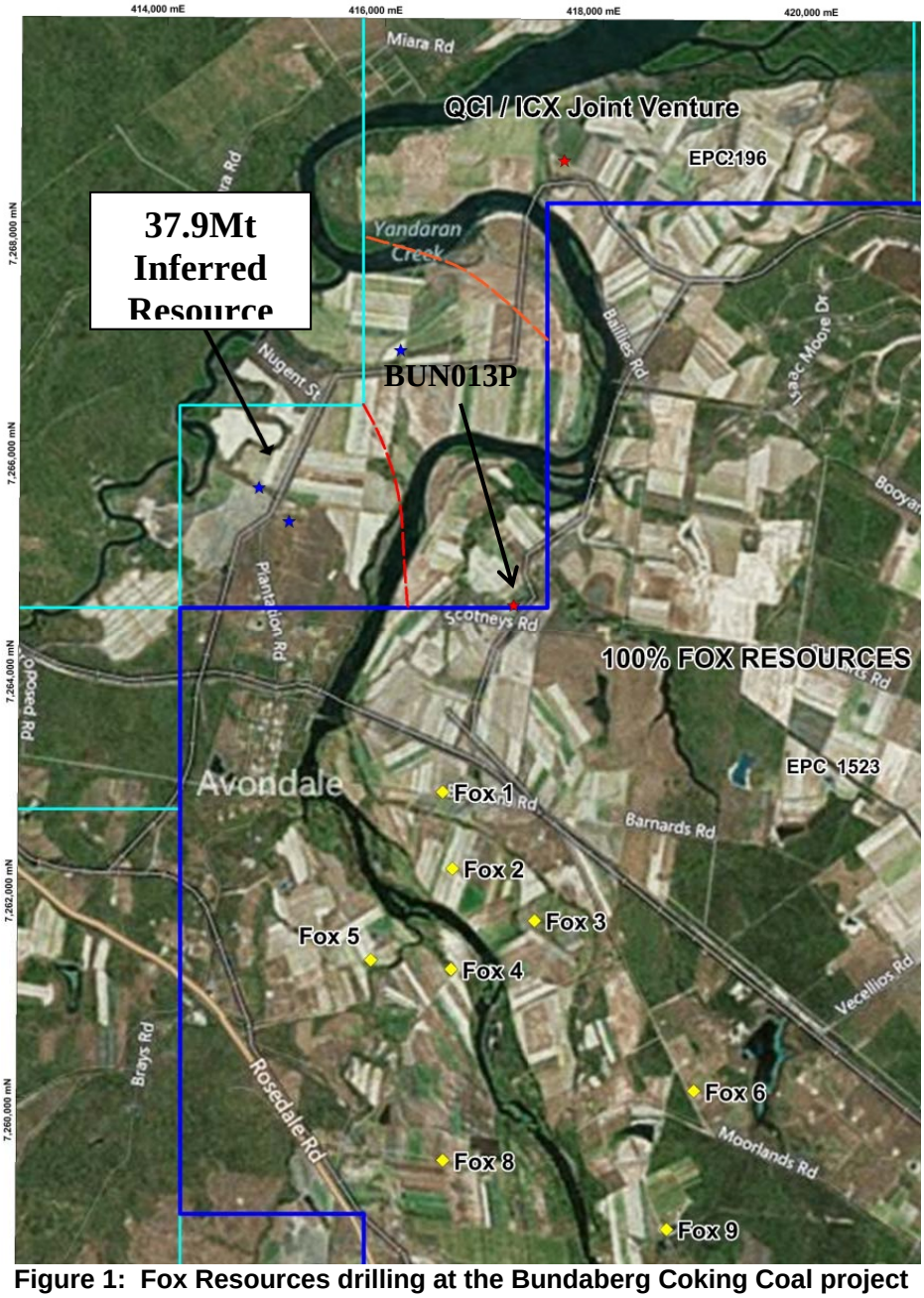

Figure 1: Fox Resources drilling at the Bundaberg Coking Coal project

Note [#1] QCI / ICX JV Resource estimate. ICX ASX release 17 December 2013

Table 1: Drill hole details of Fox 6 within EPC1523. The diamond core hole, twinning the original hole is located within 5m of the original collar location detailed in table 1.

Hole Number	Easting	Northing	RL	Dip	Azimuth	Total Depth (m)
FX BUN 006Q	418,886	7,260,091	26	-90	360	292.21

Table 1 - Notes: the coordinates are GDA 94 zone 56 and were obtained from a hand held GPS with a nominal accuracy of +/- 3m, the RL from this type of GPS is not considered accurate. The hole was vertical.

Figure 2 (below) Illustrates detail from the cored hole at the GL1 seam level with a composite picture of the core photos from 275m and 277m compared to the downhole geophysical response over the same interval.

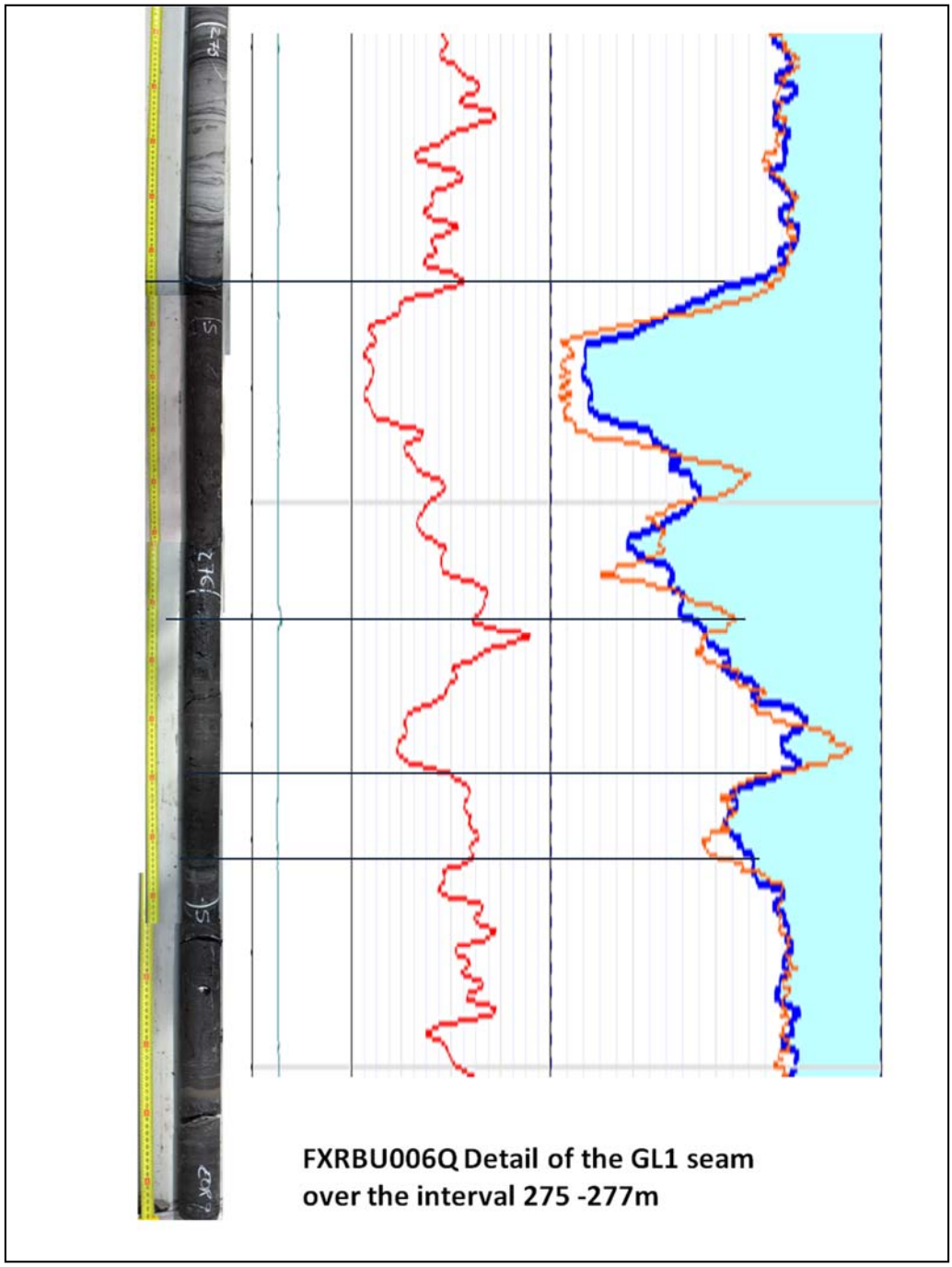

Figure 2: Fox Resources FXRBU006Q Core photos compared to downhole geophysics

Figure 3 (below) shows a detailed view of the cored coal, illustrating that within each coal seam there is little banding, and a low-moderate ash is expected from the testing.

Figure 3: Fox Resources FXRBU006Q Core photo detail 275.5 TO 276m

Appendix 1 relates to Table 1 of the 2012 JORC Code detailing the exploration work program being conducted.

FUNDING UPDATE

Fox Resources Limited (ASX: **FXR**) confirms that is has submitted an application to the Department of Mines and Petroleum ("Department") to refund approximately $1.1 million held in the form of performance bonds on various tenements associated with the Radio Hill Project. It is anticipated monies will be refunded by the Department prior to the 31 December 2013 which will further strengthen the Company's working capital position.

For further information, please contact:

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About Fox Resources

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 is focused on exploring its Bundaberg Coking Coal Project in southeast Queensland as well as its extensive package of base metals tenements in the Pilbara region of Western Australia. At Bundaberg, Fox is currently drilling a planned seven hole program with the aim of defining a premium hard coking coal resource.

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, Radio Hill, Sholl and Ayshia deposits, and the Pilbara Minerals tenements. In the Pilbara, Fox is aiming to discover high-grade base metal resources to enable its Radio Hill processing plant to resume production.

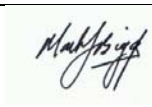
Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Fox Resources Limited's (Fox) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Fox believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

STATEMENT OF COAL COMPETENCE AND COMPLIANCE

Technical information on Fox Resources Limited's Queensland coal projects discussed in this ASX Release have been compiled by Mr Mark Biggs, Principal Geologist of ROM Resources Pty Ltd. Mr Biggs is a member of the Australasian Institute of Mining and Metallurgy and has the experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2012. The Exploration Results tabulated in this report are being released to the Australian Stock Exchange. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The report is based on factual geological data acquired by Fox Resources Limited over a period of several weeks.

Rather than release an Exploration Target at this time, the Fox Resources Board thinks it prudent to wait upon the completion of the current exploration drilling program before resource estimates are to be completed. Notwithstanding this it should also be noted that any resource tonnages implied in this release are conceptual in nature, that there has been insufficient exploration to define a Coal Resource and that it is uncertain if further exploration will result in the determination of a Coal Resource

Name	Job Title	Registration	Experience (Years)	Signed
M Biggs	Principal Geologist ROM Resources Pty Ltd	AusIMM 107188	28	

Appendix 1

This Appendix details Section 1 and 2 of the JORC Code 2012 Edition. Sections 3 'Estimation and Reporting of Mineral Resources', 4 ' Estimation and Reporting of Ore Reserves' and 5 'Estimation and Report of Diamonds and Other gemstones' have not been included as they are not applicable to this deposit type

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or*	• Diamond core of 61mm diameter samples have been obtained from the drilling. Core recoveries have exceeded 98% • Sample representatively has not yet been confirmed however the comparison between the Diamond Core samples and geophysical logs will be done once the geophysical logging has been completed. . • Core samples from the hole FXRBU006Q have been taken and stored in a freezer and will be dispatched to Bureau Veritas

Criteria	JORC Code explanation	Commentary
	systems used. • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Laboratory in Brisbane for coal quality analysis. • The findings to date warrant additional exploration within the area to define the extent of the deposit, the spatial variability of the coal and stratigraphy.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond Core drilling was used for the twin of the initial chip hole. Standard HQ core drilling was undertaken with core obtained from a diamond tail with the pre-collar drilled to approximately 250m. The pre-collar was drilled with open hole rotary drilling..
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The core recovery was done on a drill run basis using the drillers depths and determining the recovery percentage from the drill run length and the length of core returned. Core recovery excellent with recovery generally >98%
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant*	• All the samples have been geologically logged based on geological contacts and coding using the Australian industry standard Geolog2 system. • The initial hole has been geophysically logged with a deviation tool (for hole deviation), gamma, density and resistivity probes. Geophysical logging of the core hole will be undertaken once the hole is completed. • Geological logging is qualitative with samples of each meter collected into a core tray and all

Criteria	JORC Code explanation	Commentary
	intersections logged.	samples have been photographed. All core has been retained and stored in a freezer prior to coal quality analysis. • The total length of the drill hole has been geologically logged. Drilling deeper in the stratigraphy to the north in an adjacent tenement has not intersected any coal seams below the seams correlated to drill holes on adjacent tenements.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The core has been sampled using coal industry standard procedures. Samples have been stored in a freezer to retain the coal quality properties prior to the analysis. • Due to the poor quality of the samples No Sub Sampling has been done. • A RFA (Request for Analysis) has been generated which outlines the sample collected and the proposed sampling of plys, instructions to make up composites once ply analyses are available and finally, requests for suitable float/sink washability testing.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been*	• No analytical sampling or laboratory testing has been completed at this stage, the samples have been dispatched to the laboratory for analysis.. • Geophysical logging by deviation tool, gamma, density and resistivity has been conducted on the initial hole with this to be completed on the core hole once it is completed using calibrated sondes undertaking industry standard techniques, reading times and logging speeds. • No analytical sampling has yet been reported however industry standard quality control sampling has been undertaken for the recently submitted samples. Geophysical logging of the twin hole of Fox 6Q will allow a comparison of the geophysical logs for both holes, this logging is

Criteria	JORC Code explanation	Commentary
	established.	currently underway.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Moultrie Group are independently managing the exploration with the geological and geophysical logging data provided to ROM Resources an independent geological consultancy. Sampling has been undertaken as directed by ROM Resources. • A twin hole of the initial chip hole is the basis of this announcement and is currently being geophysically logged. • The geophysical logging is being undertaken by an independent geophysical logging company that sent the logging data to Moultrie Group who then sent the logging files to ROM Resources.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The Drill hole collar of the initial hole was surveyed using a hand held GPS. The GPS integrated for an extended period therefore the accuracy is believed to be +/- 3m in easting and northing however the Elevation is not considered accurate. The exact location of the twin hole is currently unavailable however it is approximately 5m from the initial drill collar. • The grid system is Map Grid of Australia (MGA) GDA94 zone 56.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• This initial drill hole was the first exploration hole drilled to test this stratigraphic position within EPC 1523. The closest drill hole that tests this stratigraphic position is approximately 4.5km to the North Northwest of Fox 6. The Twin hole is located within 5m of the initial hole. • There are insufficient holes in EPC1523 to determine a resource estimate • There has been no compositing of the samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• The core was collected directly from the drill rig and remained in the control of Moultrie Group who delivered it directly to the analytical laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No Audits have been performed
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The exploration lease, EPC 1523 is held 100% by Fox Resources Limited (FXR) • A native title claim has been lodged over the area by the Port Curtis Coral Coast Registered Native Title Claimants. A Cultural Heritage management Agreement (CHMA) has been executed between Fox Resources Limited and Port Curtis Coral Coast Registered Native Title Claimants • There are no identified heritage sites within the tenement • There are several environmental impediments and conditions that exist within the lease including several endangered regional ecosystems that require a 500m buffer around the identified sites. The accuracy or validity of the ERE's remains to be confirmed by modern mapping. • The tenement is extensively covered by privately held farmland that is used for various crops including sugar cane and other vegetables along with small scale farming.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been historical exploration within the area that has drilled shallow drill holes into the area. No previous exploration testing the target stratigraphic units has been undertaken.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The coal is hosted in the Burrum Coal measures, these are the same coal seams that host the adjacent International Coal / Queensland Coal Investments Joint Venture tenement (EPC 2196)
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced*	• All information relating to the bore hole including the easting, northing, elevation, azimuth and Dip along with the total depth of the hole is contained within Table 1.

Criteria	JORC Code explanation	Commentary
	Level – elevation above sea level in metres) of the drill hole collar o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No analytical sampling has been reported. Previously reported coal seam thicknesses were interpreted based in the density and resistivity geophysical logging. • Geological logging of the core generally has confirmed the thickness of the geophysically interpreted coal seams. • There has been no coal quality model constructed.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill hole is a vertical hole and based on the interpreted strike and dip of the geological units from the drilling in the adjacent tenement and the stratigraphic correlation diagram presented in the previous ASX release suggests that the true width is interpreted as being >95% of the down hole intersection width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Figure 1 above showing the location of the completed and planned drill holes.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No analytical results have been received however previous announcements have shown the geophysical logging from the initial drill hole and all the intersections with a lower density and high conductivity and the geological logging for these intervals.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other exploration data available for the tenement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• As outlined in the text above there are a series of further holes planned for the tenement. The exact location of these holes and the order that they will be drilled will be determined once more geological information is available. Several of the planned holes may not be drilled due to land access negotiations not yet being completed.