

FOX RESOURCES LTD

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Projects:

Queensland 100%
Coal

Radio Hill 100%
Nickel – copper

Sholl 100%
Nickel – copper

Ayshia 100%
Copper – zinc

Mt Oscar 75%
JV Iron ore

Star of Mangaroon 100%
Gold

Strike Extension of Coal System identified on EPC1523 - Fox 100% Bundaberg Project

Fox Resources Ltd (**ASX Code: FXR**) (“Company”) is pleased to announce that during the process of completing the recently announced Inferred Resource at the Bundaberg Project a significant strike extension to the coal seams was identified.

Due to this newly identified strike extension an **Exploration Target** has been identified of between **20 and 50Mt** of coal. Importantly it should be noted that this Exploration Target is conceptual in nature; insufficient work has been conducted in the area for a Resource Estimate to be conducted and it is uncertain if future exploration would enable a Resource to be estimated.

This Exploration Target, detailed in Table 1 and shown in Figure 1 below, is in addition to the previously released 101Mt Inferred Coking Coal Resource released to the ASX on 20 March 2014.

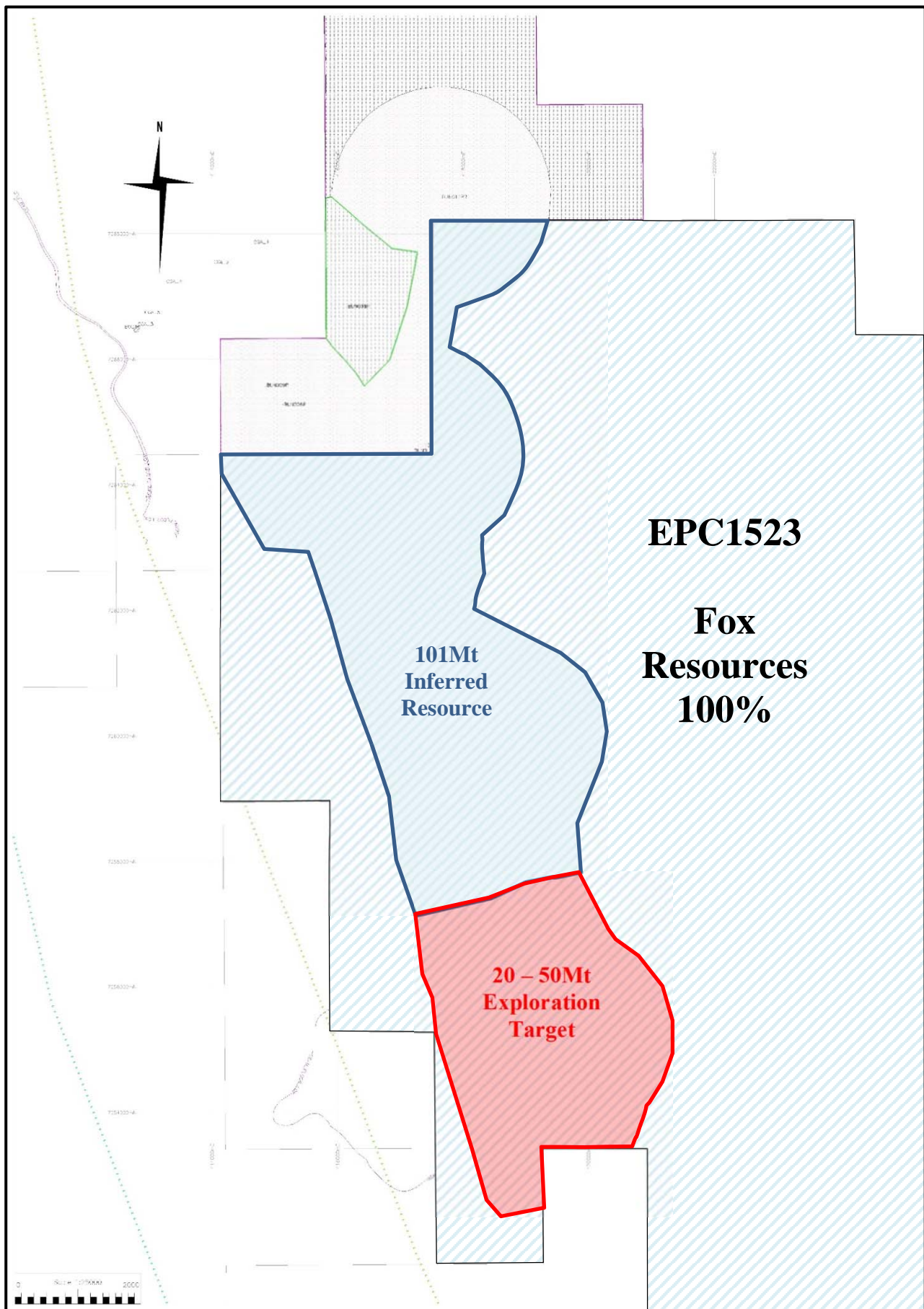
Multiple historical drill holes within the identified strike extension have intersected the main coal measures that constitute the 101Mt Inferred Resource Estimate to the north, identified as the GU, GL1 and the GL2 seams. Significantly several of the historical drill holes in the strike extension were not drilled to a sufficient depth to intersect these prospective seams.

The Exploration Target is based on the limited drilling within the strike extension of the coal seams, the recently announced Resource immediately to the north of the Exploration Target and other exploration that has been conducted in EPC1523. The Exploration target does not include any down-dip extensions of the coal seams nor does it include some conceptual targets that occur to the east of the Inferred Resource.

Further work is planned within the Exploration Target with the aim of improving the geological understanding of the coal seams in the area, within the Inferred Resource to increase the confidence in the Resource Estimate and in other areas of EPC1523

The initial samples of the three main seams GU, GL1, and GL2 from Fox 6Q released on 14 March 2014 all report raw ash <10% with raw calorific values exceeding 7,000KCal/kg for large sections of the seams.

The Coal Quality Sampling from Fox 6 has now shifted to generating two composite clean products, one at CF1.45 and the other at CF1.60 and testing these for a range of coking and thermal properties. The results will be released once completed.



The raw total sulphur was manageable with the highest value 0.87%. A coking coal indicator, raw crucible swell number, returned numbers similar to those released by the ICX/QCI JV in EPC2196 to the north. Large sections of the seam reported numbers exceeding 8.0.

Figure 1 shows the Inferred Masks for the Burrum Coal Measures within EPC1523 and EPC2196 and the outline of the Exploration Target while Figure 2 shows the location of the Fox Resources and International Coal / Queensland Coal Investment tenements in the Bundaberg region.

Table 1 Exploration Target on EPC1523 (100% Fox).

Tenement	Formation	Seams	Exploration Target Tonnage (Mt)	Raw Coal Ash %adb	Raw Volatile Matter (%adb)	Raw Calorific Value (Kcal/kg GAD)	Raw Crucible Swell Number
EPC1523	Burrum Coal Measures	GU, GL1, GL2, H1	20 – 50	19.0	24.5	6750	6-8

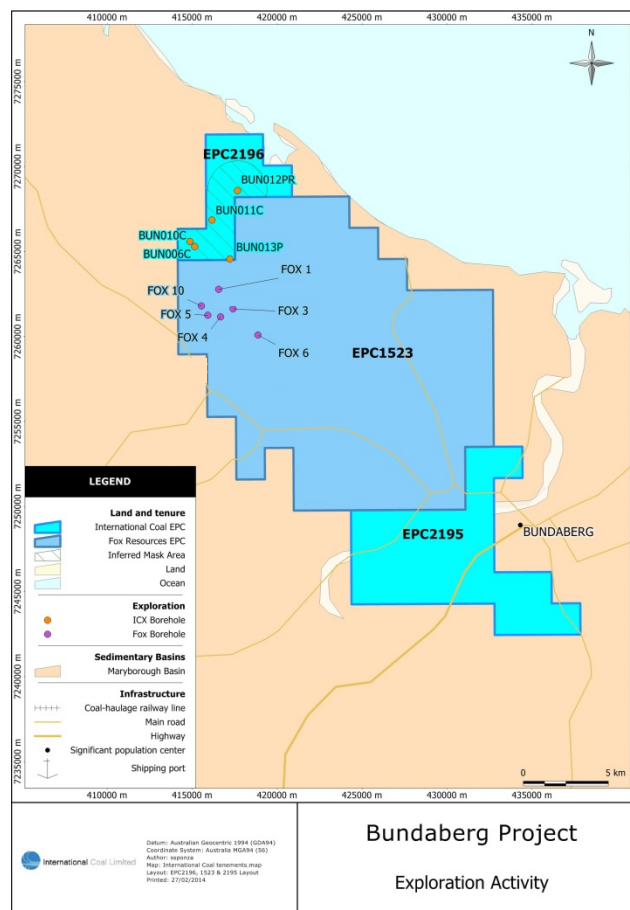


Figure 2: Fox Resources and ICX / QCI drilling at their separate Bundaberg projects

Table 2 shows the geological detail supporting the Exploration Target as the information was calculated from the recently completed model. Additional Figure 4 in Appendix 1 graphically depicts the coal quality for a historical borehole just to the north of the Exploration Target mask.

Table 2 EPC 1523 Exploration Target Calculations

Class	Seam	from depth	to depth	Mask Total Area	Modelled seam Area	Net Thickness	Relative Density	Volume	Gross Tonnage	UGL	Remaining tonnes	Overburden	Overburden thickness	Interburden	Interburden thickness	Incremental Strip ratio	Cumulative strip ratio
		m	m	ha	ha	m	g/cc	1000m ³	1000t	%	1000t	1000m ³	m	1000m ³	m	m ³ /t	m ³ /t
EXPLOR_TARGET	GU	BHWE	520	1452.3	1134.1	0.93	1.45	8679.0	12887.2	20.0	10309.8	808825.8	146.8	28118.7	4.8	64.9	95.1
EXPLOR_TARGET	GL1U	BHWE	520	1452.3	1141.1	0.65	1.45	7388.0	11029.3	20.0	8823.4	5858.6	27.7	37249.7	3.3	3.9	57.1
EXPLOR_TARGET	GL1L	BHWE	520	1452.3	1019.8	0.31	1.45	3152.7	4256.0	20.0	3404.8	187.1	24.9	138.4	0.1	0.1	49.2
EXPLOR_TARGET	GL2U	BHWE	520	1452.3	997.4	0.29	1.45	2847.2	3986.0	20.0	3188.8	8209.8	29.3	20729.9	2.1	7.3	44.4
EXPLOR_TARGET	GL2L	BHWE	520	1452.3	835.4	0.20	1.45	1647.8	2306.9	20.0	1845.5	0.0	-	0.0	-	0.0	41.6
EXPLOR_TARGET	H1	BHWE	520	1452.3	456.3	0.30	1.55	1314.9	2073.7	20.0	1659.0	1916.7	35.1	60815.9	13.5	30.3	41.0

29231.3

Further information including the results of analytical and coal quality tests are expected in the coming weeks.

Future exploration on Fox's tenement EPC1523 are likely to include drilling programs consisting of a combination of widely-spaced structural and large-diameter cored holes so as to improve the confidence in the resource.

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. At Bundaberg, Fox recently announced a 101Mt Inferred Coking Coal Resource (ASX release 20 March 2014).

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. The Minescape Resource model is based on factual geological data provided by Fox Resources over a period of three months, from the ICX/QCI Joint Venture over the past year as well as pre-existing data from Government stratigraphic drilling and other historical private company coal exploration. Interpolation and extrapolation of data has been avoided in most cases but where necessary it was done with due consideration of the 2012 JORC Code and the 2014 Draft Coal Guidelines.

Competent Persons Statement

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. 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 on EPC1523 over a period of several months along with work conducted by International Coal and Queensland Coal Investments on EPC2196. Work conducted by International Coal and Queensland Coal Investments has been previously reported as a part of their ASX release on 17 December 2013 and previous ASX releases in March and October 2013. The current Exploration Target estimate is current as of 31st March 2014.

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 for the work conducted by Fox Resources, work conducted by ICX/QCI has been previously reported as a part of their ASX release on 17 December 2013 and previous ASX releases in March and October 2013.

Section 3 'Estimation and Reporting of Mineral Resources' is detailed in Appendix 2 below,

Sections 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 or stage of exploration.

Section 1 & 2 Sampling Techniques and Data – Fox Resources

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> Samples have only been taken from Diamond core of 61mm diameter as samples that have been obtained from the rotary chip drilling have been too contaminated or washed away by the high water flows encountered in some holes. Where core has been taken 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 FXBU006Q have been taken and stored in a freezer and have been dispatched to Bureau Veritas Laboratory in Brisbane for coal quality analysis. An RFA has been created and implemented along with a suitable analyses methodology. 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. Additional data has been obtained from the tenure immediately adjacent to the north (EPC2196 ICX/QCI JV) through a data-sharing arrangement which will allow, once the data is integrated and correlated additional information to construct Points of Observation
Drilling	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-</i> 	<ul style="list-style-type: none"> Diamond Core drilling was used for the twin of the initial chip hole. Standard HQ core drilling was

Criteria	JORC Code explanation	Commentary
<i>techniques</i>	<i>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).</i>	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..
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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 was excellent with recovery generally >90%. Sample mass laboratory was also very good with recoveries mostly exceeding 85% against a theoretical sample mass calculation. Overall total recovery (core recovery x sample mass recovery) exceeded 83% for each sample analysed.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • All the samples have been geologically logged based on geological contacts and coding using the Australian industry standard Geolog2 system. • All holes has been geophysically logged with a deviation tool (for hole deviation), gamma, density and resistivity probes. Geophysical logging of the core hole has also been undertaken once the hole is completed. • Geological logging is qualitative with samples of each metre collected into a core tray and all 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.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> 	<ul style="list-style-type: none"> • 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 lack of sample mass 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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 established. 	<ul style="list-style-type: none"> Raw coal analytical sampling or laboratory testing has been completed at this stage, the samples have been forwarded for clean coal composite laboratory 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. Analytical sampling that has been reported however industry standard quality control standard (NATA) sampling has been undertaken for the recently submitted samples. Geophysical logging of the twin hole of Fox 6Q allows for a comparison of the geophysical logs for both holes.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Moultrie Group are independently managing the exploration with the geological and geophysical logging, with data provided to ROM Resources, an independent geological consultancy. Sampling has been undertaken as directed by ROM Resources. A twin hole of an initial chip hole for FXBU006 was completed and logged. The geophysical logging is being undertaken by an independent geophysical logging company (SURTRON) that sent the logging data to Moultrie Group who then sent the logging files to ROM Resources.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Drill hole collar of the exploration holes is initially being 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. Final survey will be by licenced surveyors using theodolite or differential GPS technologies. The grid system is Map Grid of Australia (MGA) GDA94 zone 56.
Data	<ul style="list-style-type: none"> Data spacing for reporting 	<ul style="list-style-type: none"> Exploration drilling was completed on approximately

Criteria	JORC Code explanation	Commentary
<i>spacing and distribution</i>	<p><i>of Exploration Results.</i></p> <ul style="list-style-type: none"> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<p>1500 m spacing. The seven holes completed have successfully tested the stratigraphic position within EPC 1523. The closest drill hole that tests this stratigraphic position is approximately 1,800m (FXBU001R) to the south of the nearest hole in EPC 2196. There are insufficient holes in EPC1523 to determine Indicated or Measured Resource estimates currently, but by the end of the program there should be sufficient drilling information to report Inferred Resources.</p> <ul style="list-style-type: none"> There has been no compositing of the samples.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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 reported if material.</i> 	<ul style="list-style-type: none"> Drilling to date has established that the regional strike is about 340 degrees and that the exploration plan is drill boreholes on perpendicular section lines to assess dip and variability. No faulting was observed during the drilling program to date, although a small fault was added at the modelling stage to account for a perturbation of structure contours around FXBU003R
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> 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.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No Audits have been performed
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> 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 cultural 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<p>There has been coal exploration undertaken since the 1960s in the surrounding region which has targeted coal within the Burrum Coal Measures. Thiess Exploration in EPC79C (1969 - QDEX: CR2954) drilled core hole 76C-2 to a depth of 97.5m just outside the south-west corner of the area now covered</p>

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		<p>by EPC 2195. This hole intersected two coal seams of 0.3m and 1.52m thickness at depths of 51.8m and 57.6m respectively. No coal quality data is available.</p> <p>Target Exploration in EPC 82C (1970 - QDEX: CR3355) drilled 16 open and partly-cored drill holes (TM series) within the area south of EPC 2196. Coal seams between 0.21m and 1.68m thick were encountered however these thicknesses are based on non-geophysically logged open holes. Most drill holes intersected two thin coal seams ranging from 0.09m to 1.58m apart. One of the cored holes, TM75K6 intersected three thin coal seams between 0.49 and 0.62m over an interval of 2.49m (Figure 4). The coal quality data indicates coking coal characteristics with the potential to be prime coking coal.</p> <p>Figure 4: Coal Quality for Borehole TM75K6</p> <table><tr><th>Graphic Log</th><th>Lithology</th><th>Thickness (m)</th><th>Depth to Base (m)</th><th>Floats at 1.60%</th><th>Ash%</th><th>Swell</th><th>Volatile Matter%</th><th>Moisture%</th><th>Fixed Carbon%</th><th>Sulphur%</th><th>Phosphorus%</th></tr><tr><td></td><td>Sandstone</td><td></td><td>72.45</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>0.49</td><td>72.94</td><td>77.3</td><td>7.1</td><td>9</td><td>29.9</td><td>2.6</td><td>60.4</td><td>0.67</td><td>0.006</td></tr><tr><td></td><td>Mudstone</td><td>0.28</td><td>73.22</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>0.62</td><td>73.84</td><td>78</td><td>10.2</td><td>8</td><td>26.9</td><td>3.3</td><td>59.6</td><td>0.6</td><td>0.005</td></tr><tr><td></td><td>Mudstone</td><td>0.55</td><td>74.39</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>0.55</td><td>74.94</td><td>96.5</td><td>12.4</td><td>7.5</td><td>27.2</td><td>3.2</td><td>57.2</td><td>0.61</td><td>0.093</td></tr><tr><td></td><td>Mudstone</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>Source: modified after Target Exploration (1970) Consolidated Gold Fields in EPC 88C (1971: QDEX CR3555) drilled three open holes and two core holes just outside the north-west corner of EPC 2196. Cored borehole CGA_3 drilled to a depth of 67.8m intersected three coal seams as shown in Figure 5. The cumulative coal thickness is 2.44m. The coal quality data presented in this figure demonstrates the coking properties of the coal seams within the Burrum Coal Measures. The Gray King Coke Index of G2 to G3 indicates the coal would be potentially suitable for coke manufacture. The second core hole CGA_5 drilled only 200 metres and down dip from CGA_3 also intersected three relatively thin coal seams. The cumulative coal thickness was 1.2 metres. This thickness variation was considered by Consolidated Goldfields to be due to the lenticular nature of the coal seams.</p>	Graphic Log	Lithology	Thickness (m)	Depth to Base (m)	Floats at 1.60%	Ash%	Swell	Volatile Matter%	Moisture%	Fixed Carbon%	Sulphur%	Phosphorus%		Sandstone		72.45										Coal	0.49	72.94	77.3	7.1	9	29.9	2.6	60.4	0.67	0.006		Mudstone	0.28	73.22										Coal	0.62	73.84	78	10.2	8	26.9	3.3	59.6	0.6	0.005		Mudstone	0.55	74.39										Coal	0.55	74.94	96.5	12.4	7.5	27.2	3.2	57.2	0.61	0.093		Mudstone										
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		<div>Figure 5: Coal Quality for Borehole CGA_3</div> <table><tr><th>Graphic Log</th><th>Lithology</th><th>Thickness (m)</th><th>Depth to Base (m)</th><th>Floats at 1.60%</th><th>Ash%</th><th>Swell</th><th>Volatile Matter%</th><th>Moisture%</th><th>Fixed Carbon%</th><th>Sulphur%</th><th>Gray King</th></tr><tr><td></td><td>Sandstone</td><td></td><td>28.9</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>0.97</td><td>29.87</td><td>78.4</td><td>8.5</td><td>8</td><td>28.7</td><td>2</td><td>60.8</td><td>0.6</td><td>G3</td></tr><tr><td></td><td>Mudstone</td><td>1.82</td><td>31.69</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>1.07</td><td>32.77</td><td>86.3</td><td>5</td><td>8</td><td>29.1</td><td>1.9</td><td>64</td><td>0.43</td><td>G3</td></tr><tr><td></td><td>Mudstone</td><td>1.98</td><td>34.75</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>Coal</td><td>0.39</td><td>35.14</td><td>75</td><td>11.8</td><td>7</td><td>27.5</td><td>2.2</td><td>58.2</td><td>0.65</td><td>G2</td></tr><tr><td></td><td>Mudstone</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> <div>Source: Modified after Consolidated Gold Fields (1971)</div> <div>Exploration by other Parties</div> <div>Recent ASX releases attest to the fact that Fox Resources are currently engaged in a drilling program in EPC 1523, but there has been no indication that exploration is imminent in EPC 1872 held by Guildford Coal (ASX:GUF).</div> <div></div>	Graphic Log	Lithology	Thickness (m)	Depth to Base (m)	Floats at 1.60%	Ash%	Swell	Volatile Matter%	Moisture%	Fixed Carbon%	Sulphur%	Gray King		Sandstone		28.9										Coal	0.97	29.87	78.4	8.5	8	28.7	2	60.8	0.6	G3		Mudstone	1.82	31.69										Coal	1.07	32.77	86.3	5	8	29.1	1.9	64	0.43	G3		Mudstone	1.98	34.75										Coal	0.39	35.14	75	11.8	7	27.5	2.2	58.2	0.65	G2		Mudstone										
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Geology	<ul style="list-style-type: none">Deposit type, geological setting and style of mineralisation.	<ul style="list-style-type: none">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). Structure in the area is dominated by the Bundaberg Anticline, whose north-trending axis passes to the west of the EPC.																																																																																																
Drill hole	<ul style="list-style-type: none">A summary of all	<ul style="list-style-type: none">All information relating to the bore hole including the																																																																																																

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<i>Information</i>	<p>information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ 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. 	<p>easting, northing, elevation, azimuth and Dip along with the total depth of the hole is contained within Table 2.</p>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Geological logging of the core generally has confirmed the thickness of the geophysically interpreted coal seams. • There has been no previous raw coal quality model constructed. Data from FXBU006Q will be pooled with data made available from the ICX/QCI Joint Venture
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • The boreholes in this program were planned to be 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 west-northwest is interpreted as being >95% of the down hole intersection width. Borehole deviation tools have been run and shown that all boreholes deviate by amounts varying between 1-7 degrees from vertical,

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	<i>reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	with most deviations having a dip direction of northwest.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Figure 1 above shows the location of the completed and planned drill holes.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All exploration results within the Bundaberg area have been reported. Some historical holes have been used in the construction of the geological model however only historical holes that contain coal quality analysis have been used as points of reference in the resource estimation.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The modelling and CP report will document all data and assumptions used.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • 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 modelling is complete.