

Media Release



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FOX RESOURCES AND JINCHUAN IN GROUND-BREAKING PARTNERSHIP

Fox Resources Limited (ASX Code: FXR) has signed a multi-million dollar contract to sell nickel and copper concentrate, produced at its Radio Hill mine near Karratha, Western Australia, to China's largest producer of nickel metal, Jinchaun Group Ltd of Gansu Province.

Fox will produce around 35,000 tonnes of nickel and copper concentrates in the first 12 months of operations worth about A\$40 million at current metal prices. Both concentrates contain valuable cobalt and precious metals.

This initial contract is for a three year period but may be extended by mutual agreement. The product will be shipped through the Port of Dampier, about 50 kilometres from the mine with the first shipment scheduled for July this year.

The mine and plant operated previously from 1998 to 2002 and is now undergoing refurbishment and upgrading by Roche Engineering. First ore to the mill is scheduled for June 2004.

The official signing ceremony between Jinchuan and Fox to mark the agreement took place late yesterday in Beijing, China.

Jinchuan is one of the world's largest nickel producers. Last year the company produced 60,000 tonnes of nickel and has a target of 70,000 tonnes this year. China's demand for nickel is predicted to rise to 150,000 tonnes this year from 120,000 in 2003. By 2010, it's expected to hit 200,000 tonnes.

Jinchuan is located in Jinchang City in the Gansu province in northwest China, 350km from the state capital Lanzhou. Fox Resources raw material will provide about 4% of feedstock for Jinchuan operations.

This is an important contract for Fox and makes the company one of the first of the new generation of junior nickel producers into production in Western Australia.

Both companies see this contract as the start of a long-term relationship to develop the nickel resources at Radio Hill and the Sholl nickel deposits situated in the Radio Hill mineral field.

Since the acquisition of the Radio Hill mine the nickel price has increased from US\$6,000 to over US\$14,000 per tonne, which has had a major positive effect on project economics. Fox is well positioned to take advantage of current record nickel prices.

Yours sincerely,

Brett Matich
Managing Director