

10 June 2014



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Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT ISSUE

On 5 May 2014, Fox Resources Limited (**Company**) announced a conditionally fully underwritten non-renounceable pro rata offer to shareholders with an address in Australia or New Zealand (**Entitlement Issue**). A prospectus for the Entitlement Issue has been lodged to ASIC on 6 June 2014 (**Prospectus**).

The Entitlement Issue offers approximately 282,351,686 fully paid ordinary shares on the basis of 1 new share for every 2 existing shares held as at 7:00pm (AEST) on 16 June 2014 (**Record Date**), at an issue price of \$0.015 per share together with 1 free attaching option (exercisable at \$0.04 on or before 30 June 2016) for every new share subscribed for under the Prospectus to raise approximately \$4.235 million before issue costs.

The Entitlement Issue is fully underwritten by Jungle Creek Gold Mines Pty Ltd (**Jungle Creek**) for up to approximately \$3,452,923, with its underwriting commitment to be set off against debts owed by the Company to Jungle Creek and by certain other creditors for the balance of the Entitlement Issue. No underwriters will receive a fee.

Jungle Creek is a major shareholder of the Company and an entity controlled by the Company's Chairman, Mr Terry Streeter. By underwriting the Entitlement Issue, Jungle Creek might acquire a maximum voting power of 38.29% following the Entitlement Issue and prior to the exercise of any options and 51.5% if Jungle Creek exercises all of its options but nobody else does. Shareholder approval has been obtained at the shareholder meeting held on 9 June 2014 for Jungle Creek's underwriting.

The proposed use of funds raised under the Offer is as follows:

Use of funds	Shareholders take up their Entitlement in full	No Entitlement is taken up
Repayment of debt	\$1,399,254	\$4,116,905
Exploration		Nil
Western Australia	\$1,500,000	
Queensland	\$800,000	
Working Capital	\$470,521	\$52,870
Costs of the Offer	\$65,500	\$65,500
Total	\$4,235,275	\$4,235,275

The Company expects the Offer to be conducted in accordance with the following timetable:

Event	Date
Prospectus lodged with ASIC	6 June 2014
Shareholder approval obtained for the grant of a security interest to Jungle Creek and the acquisition of Shortfall Shares by Jungle Creek	9 June 2014
Ex Date – Shares trade ex entitlement	12 June 2014
Record date to determine entitlement	16 June 2014
Prospectus with Entitlement and Acceptance Form dispatched	17 June 2014
Offer opens for receipt of Applications	17 June 2014
Closing date for acceptances	26 June 2014
Notify ASX of under-subscriptions	30 June 2014
Issue of New Securities	30 June 2014
Dispatch of Shareholding statements	30 June 2014
Trading of New Shares expected to commence	1 July 2014

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of the Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

Application has been made to ASX for quotation of the New Securities.

A copy of the Prospectus will be sent to eligible shareholders shortly after the Record Date. Eligible shareholders should consider the Prospectus carefully in deciding whether to acquire new shares with attaching new options offered under the Entitlement Issue, and will need to complete the personalised entitlement and acceptance form accompanying the Prospectus to take up their entitlements. Eligible Shareholders may also apply for shortfall shares with attaching options in excess of their entitlement.

Should you have any questions regarding the Offer you may contact the Company on +61 8 9318 5600 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on ASX or the Company's websites.

We look forward to your participation in the Offer.

Yours sincerely



Paul Dunbar
Managing Director