



## Replacement Prospectus

**Fox Resources Limited**

**ABN 44 079 902 499**

For:

- a non-renounceable pro rata offer to Eligible Shareholders of approximately 282,351,686 New Shares at an issue price of \$0.015 per Share on the basis of 1 New Share for every 2 Existing Shares held with 1 free attaching New Option for every New Share issued to raise up to approximately \$4.235 million before issue costs.
- an offer of Shortfall Shares to Eligible Shareholders on terms set out in section 8.8 (Shortfall Offer).

The Offer is conditionally fully underwritten. Please see sections 8.4 and 8.5 for more details.

**ASX Code: FXR**

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Securities being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Securities offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

### **Important Notice**

This replacement Prospectus is dated 10 June 2014 and was lodged with ASIC on that date. This replacement Prospectus replaces the original prospectus dated 6 June 2014. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **Nature of this Prospectus**

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the date of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Securities on the Company and the right attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

### **Incorporation by reference**

Fox's Notice of Meeting dated 9 May 2014 is incorporated into this Prospectus by reference under section 712(1) of the Corporations Act. The Notice of Meeting has previously been lodged with ASIC. Fox will provide, free of charge, a copy of the Notice of Meeting, or the relevant part, to anyone contacting Fox's registered office during normal business hours whilst the Prospectus is open.

### **Prospectus availability**

Shareholders with a registered address in Australia and New Zealand can obtain a copy of this Prospectus during the Offer period on the Company's website at [www.foxresources.com.au](http://www.foxresources.com.au) or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and

Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

### **Foreign jurisdictions**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

### **Disclaimer of representations**

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

### **Forward looking statements**

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

### **Privacy**

Please read the privacy information located in section 8.17 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

### **Definitions**

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

### **Enquiries**

If you have any questions please call the Company Secretary on +61 8 9318 5600 at any time between 9.00am and 5.00pm (WST time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.

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## Corporate Directory

### Directors

Mr Terry Streeter (Non Exec. Chairman)  
Mr Paul Dunbar (Managing Director)  
Mr Garry East (Non Exec. Director)

### Company Secretary

Mr David Peterson

### Registered and Business Office

10 Abbotsford Street  
West Leederville WA 6007  
Tel: +61 8 9318 5600  
Fax: +61 8 9238 1830  
Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands WA 6009  
Tel: +61 8 9389 8033  
Fax: +61 8 9262 3723

### Auditor\*

Grant Thornton Audit Pty Ltd  
Level 1, 10 Kings Park Road  
West Perth WA 6005

### Solicitors to the Offer

Kings Park Corporate Lawyers  
Level 2, 45 Richardson Street  
West Perth WA 6005

### Website

[www.foxresources.com.au](http://www.foxresources.com.au)

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

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## 1 TIMETABLE TO THE OFFER

Lodgment Date	6 June 2014
Lodgment of replacement prospectus	10 June 2014
Shareholder Meeting approves 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
Last date to issue Shortfall Securities (see section 8.8)	26 September 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 this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

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## 2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue <sup>1</sup>	564,703,371
Options currently on issue <sup>2</sup>	15,935,897
New Shares offered under this Prospectus at \$0.015 <sup>1</sup> per New Share	282,351,686
New Options offered under this Prospectus (exercisable at \$0.04 on or before 30 June 2016) <sup>1 and 3</sup>	282,351,686
Amount raised under this Prospectus (before costs)	\$4,235,275

1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

2 See section 5.7 for more details.

3 See section 9.2 for full terms and conditions of the New Options offered.

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### 3 CHAIRMAN'S LETTER

Dear Shareholder

On behalf of Fox Resources Limited, my fellow directors and I recommend that you participate in the conditional fully underwritten non-renounceable pro-rata entitlement Offer at an issue price of \$0.015 per New Share (each with one free attaching New Option with an exercise price of \$0.04 and expiry date of 30 June 2016) to raise up to approximately \$4.235 million.

Funds raised from the Offer will be used to repay debt and for general working capital purposes. This includes determining the alternatives for the recently announced 101Mt Coking Coal Inferred Resource<sup>1</sup> estimated for the Bundaberg project.

Shareholder approval was granted at the Shareholder Meeting of the Company held on 9 June 2014 for Jungle Creek Gold Mines Pty Ltd, an entity that I control, to underwrite the Offer for up to 230,194,837 New Shares or approximately \$3,452,923. The underwriting commitment will be set off against debts owed by the Company to Jungle Creek. Certain other creditors have also agreed to underwrite the balance of the Offer, with most of their underwriting obligations also to be set off against debts owed to them. Additional underwriting commitments of \$107,500 will be met in cash.

The issue price under the Offer is at a significant discount to what the Directors consider to be the true value of the Company's Shares. This view is also held in the Independent Experts Report<sup>2</sup> which indicates 3.87 cents as the preferred value of the Company's Shares. The Offer allows Eligible Shareholders to participate in the Offer at the same price which Jungle Creek's debt will (in the event of shortfall) be converted to equity, and avoid dilution.

Eligible Shareholders can, in addition to their Entitlement, also apply for Shortfall Shares ahead of the Underwriters and I would encourage Shareholders to consider this. Any Shortfall Shares will be issued first to Eligible Shareholders with unmarketable parcels of Shares and then to other Eligible Shareholders in priority to the Underwriters.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether or not to participate in this Offer. In particular Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for our Company.

Yours faithfully,

T Streeter

Chairman

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<sup>1</sup> For more information see ASX announcement dated 20 March 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement dated 20 March 2014.

<sup>2</sup> For more information see ASX announcement dated 22 May 2014.

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## 4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information
What is being offered?	<p>282,351,686 New Shares are being offered to Eligible Shareholders (assuming no Options are exercised prior to the Record Date) on the basis of 1 New Share for every 2 Existing Shares held on the Record Date at an issue price of \$0.015 per New Share and 1 free attaching New Option (exercisable at \$0.04 on or before 30 June 2016) for every New Share issued.</p> <p>Eligible Shareholders can, in addition to their Entitlement, also apply for Shortfall Shares.</p>	Section 5
How will the proceeds of the Offer be used?	<p>If no Entitlement is taken up the Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none"><li>• \$4,116,905 to pay debts;</li><li>• \$52,870 for general working capital; and</li><li>• \$65,500 to pay the costs of the Offer.</li></ul> <p>If Shareholders take up their Entitlements in full the Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none"><li>• \$1,399,254 to pay debts;</li><li>• \$2,300,000 will be used for exploration at Radio Hill and surrounding projects along with the Queensland Coal projects;</li><li>• \$470,521 for general working capital; and</li><li>• \$65,500 to pay the costs of the Offer.</li></ul>	Section 5.5
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"><li>• The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital.</li></ul>	Section 6

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- There is a risk that funds raised from the Offer will not be sufficient to complete the Company's planned future exploration and operational activities and that additional funding will be required.
  - No assurances can be provided that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to extract value from its projects, the Company is likely to incur ongoing operating losses.

Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Securities.

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Is the Offer underwritten?	<p>The Offer is underwritten by Jungle Creek (an entity controlled by the Company's Chairman, Mr Streeter) for up to 230,194,837 New Shares or approximately \$3,452,923, and entities controlled by the Company's certain other creditors for the balance.</p> <p>Shareholder approval for Jungle Creek's underwriting was granted at the Shareholder Meeting held on 9 June 2014.</p> <p>Jungle Creek's underwriting is subject to conditions ordinarily found in underwriting arrangements, including termination rights in certain circumstances.</p> <p>No Underwriter will be paid a fee.</p>	Sections 8.4 and 8.5
What is the minimum amount to be raised under the Offer?	The Offer is fully underwritten and therefore does not have a minimum amount.	Section 8.2
What will be the effect of the Offer on control of the Company?	<p>Mt Streeter currently holds 16.52% of the Company's Shares. As approved by Shareholders on 9 June 2014 the maximum voting power that Mr Streeter may acquire following the Offer is 38.29%.</p> <p>No other person will acquire voting power of over 20% as a result of the Offer.</p>	Sections 5.9 and 5.10
How do I apply for New Securities under the Offer?	Applications can be made by Eligible Shareholders completing the personalised Entitlement and Acceptance Form and sending it to the Share Registry.	Section 7.2

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	Eligible Shareholders may also apply for Shortfall Shares by following the instructions in section 7.3.	
How will the Shortfall Shares be allocated?	<p>The Directors will allocate any Shortfall Shares:</p> <ul style="list-style-type: none"> <li>(a) firstly to Eligible Shareholders with less than a marketable parcel who apply for Shortfall Shares under the Prospectus in addition to their Entitlement (to the extent required for them to each have a marketable parcel);</li> <li>(b) then, secondly to Eligible Shareholders who apply for Shortfall Shares under the Prospectus in addition to their Entitlement with any oversubscriptions scaled back pro rata to the number of Shortfall Securities applied for;</li> <li>(c) then, thirdly to the underwriters other than Jungle Creek (<b>Other Underwriters</b>) who do not have the right to set off their underwriting obligation against debts owed to those Other Underwriters on a pro rata basis;</li> <li>(d) then, fourthly to the Other Underwriters who have the right to set off their underwriting obligation against debts owed to those Other Underwriters on a pro rata basis; and</li> <li>(e) finally, to Jungle Creek.</li> </ul>	Section 8.8
When will I know if my Application was successful?	A holding statement confirming your allocation under the Offer will be sent to you on or about the date set out in the timetable for the Offer, as set out in section 1.	Section 7
How can I obtain further advice?	Contact the Company Secretary on +61 8 9318 5600 at any time between 9.00am and 5.00pm (WST time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.	



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## 5 PURPOSE AND EFFECT OF THE OFFER

### 5.1 Introduction

The Company is seeking to raise up to approximately \$4.235 million before issue costs under the Offer at a price of \$0.015 per New Share on the basis of 1 New Share for every 2 Existing Shares held as at the Record Date with 1 free attaching New Option for every New Share issued (exercisable at \$0.04 on or before 30 June 2016).

The Offer is partially underwritten by Jungle Creek, an entity controlled by the Company's Chairman, Mr Streeter for up to 230,194,837 New Securities or approximately \$3,452,923 (**Jungle Creek Underwriting**). Certain other creditors have underwritten the balance of the Offer. See sections 8.4 and 8.5 for details.

### 5.2 Jungle Creek

Jungle Creek has for some time funded the Company, and the Company is reliant upon this support to continue its exploration activities and advance its projects. In doing so the Company is indebted to Jungle Creek and Mr Streeter for approximately \$7.72 million (**Jungle Creek Debt**). The Board considers it prudent to reduce this through a debt for equity conversion. This will reduce the Company's debts by approximately \$4.117 million, with a significant portion of the Company's debt will be reclassified as non-current, and reduce the Company's annual interest expense by approximately \$280,000.

The rationale for the Offer and Jungle Creek Underwriting is to offer Eligible Shareholders Shares at the same price which the Jungle Creek Debt will be converted to equity. The conversion also creates an opportunity for certain other of the Company's creditors to also convert their debts to equity, also at the same issue price as that offered to Eligible Shareholders and Jungle Creek.

### 5.3 Shareholder Meeting to approve the Jungle Creek Underwriting

On 9 May 2014 the Company convened a Shareholder meeting to, amongst other things, approve the Jungle Creek Underwriting. The Shareholder Meeting was held on 9 June 2014 and Shareholders approved all of the resolutions put to them.

To comply with the Corporations Act and Listing Rules, the Independent Directors retained BDO to provide the Independent Expert's Report with respect to, amongst other things, the Jungle Creek Underwriting. BDO opined that:

- (a) the Jungle Creek Underwriting was not fair but reasonable for non-associated Shareholders of the Company; and
- (b) a net asset value per Share of between 3.01 cents and 4.93 cents with a preferred value of 3.87 cents.

This is an attractive premium to the issue price under the Offer of \$0.015 per New Share.

For the purposes of preparing the Independent Expert's Report, BDO retained Agricola Mining Consultants Pty Ltd to prepare a valuation of the Company's projects in accordance with the VALMIN Code. A copy of the report prepared by Agricola Mining Consultants Pty Ltd accompanies the Independent Expert's Report.

Fox's Notice of Meeting dated 9 May 2014 is incorporated into this Prospectus by reference under section 712(1) of the Corporations Act. The Notice of Meeting has previously been lodged with ASIC. Fox will provide, free of charge, a copy of the Notice of Meeting, or the relevant part, to anyone contacting Fox's registered office during normal business hours whilst the Prospectus is open. Alternatively, the Notice of Meeting is available from [www.asx.com.au](http://www.asx.com.au).

This Prospectus prevails over the Notice of Meeting, to the extent of any inconsistencies.

#### 5.4 Company's financial position

The Company's assets consist of the Bundaberg coking coal project, various tenements and joint venture interests in the West Pilbara area (including the Radio Hill nickel project and Mt Oscar Joint Venture) and the Star of Mangaroon gold project.

As at 31 March 2014, the Company had approximately \$10.521 million in short term creditors and interest bearing liabilities. Of this, approximately \$7.72 million is the Jungle Creek Debt. The Jungle Creek Debt arose through the following:

- (a) Convertible loans, with an aggregate balance of \$7,059,159.34 (including accrued interests) as at 31 March 2014. The key terms of the loans are as follows:
  - (i) Issuer - The Company
  - (ii) Holder - Jungle Creek
  - (iii) Interest - The loan bears a coupon rate fixed at 8.00% per annum.
  - (iv) Interest Payments - Quarterly in arrears payable in cash.
  - (v) Security for the loan - Secured against the Company's tenements in Queensland as per Shareholder approval at an extraordinary general meeting to be held before the end of May 2014 (or such later date as the parties agree).
  - (vi) Repayment - upon demand.
- (b) A letter of comfort dated 19 September 2013 (**Letter of Comfort**), under which Mr Streeter:
  - (i) agreed not to call for repayment of the convertible loans owed, except through the conversion to Shares or subsequent capital raising, until at least 30 September 2014;
  - (ii) agreed to transfer funds to the Company for the purposes of enabling it to pay its debts (excluding convertible loans and notes entered into after 19 September 2013) as and when they fell due, should this be required, until an appropriate capital raising is completed, until at least 30 September 2014; and
  - (iii) reserved the right to take security over the Company's assets at his discretion for up to 50% of the value of the outstanding amount owed by the Company to Mr Streeter and his controlled entities (**Security Interest**).

On 21 February 2014 and as entitled to under the convertible loans and Letter of Comfort Jungle Creek requested security over the Company's Queensland coal tenements.

## 5.5 Use of funds

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds	Shareholders take up their Entitlement in full <sup>1</sup>	No Entitlement is taken up
Repayment of debt	\$1,399,254	\$4,116,905
Exploration <sup>2</sup>		Nil
Western Australia	\$1,500,000	
Queensland	\$800,000	
Working Capital	\$470,521	\$52,870
Costs of the Offer <sup>3</sup>	\$65,500	\$65,500
Total	\$4,235,275	\$4,235,275

### Notes:

- 1 This column is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.
- 2 Exploration includes exploration on the Radio Hill project and the Company's coal assets.
- 3 See section 10.6 for further details relating to the estimated expenses of the Offer.

## 5.6 Top up by Shareholders with less than a marketable parcel

As of 3 June 2014, the Company had 3,281 Shareholders, with 2,467 Shareholders holding less than a marketable parcel (being \$500 or 41,666 Shares at the last traded price of the Company's Shares of \$0.012) (**Unmarketable Parcel Shareholder**). The large number of Unmarketable Parcel Shareholders adds significant compliance costs to the Company.

The Company has resolved to, shortly after close of the Offer and in accordance with the Company's Constitution, seek to sell Shares held by Unmarketable Parcel Shareholders. To do this, the Company must first give notice to Unmarketable Parcel Shareholders, who may then elect not to have their Shares sold by notifying the Company in writing. The Company can then sell Shares held by Unmarketable Parcel Shareholders who do not give notice, with those Shareholders being paid the net proceeds of sale.

Under the Company's Constitution, the Company can determine the manner and terms of sale, including price.

The Company has received an expression of interest from Mr Garry East, a Director, to purchase Shares held by Unmarketable Parcel Shareholders for 0.5 cents per Share, with acquired Shares to be voluntarily escrowed for 12 months. The Company's remaining Directors will seek a higher price, however there is no guarantee that a higher price may be obtained.

To minimise the number of Shares compulsorily sold, the Board has resolved to first issue any Shortfall Shares to Eligible Shareholders who are also Unmarketable Parcel Shareholders so that each Eligible Shareholder who holds an unmarketable parcel and applies for Shortfall Shares may have a marketable parcel. This will then allow those Shareholders who are issued sufficient Shortfall Shares to sell their holdings on market.

The Company therefore encourages all Shareholders with less than a marketable parcel of Shares to apply for both their Entitlement and Shortfall Shares to ensure they are able to sell their holdings on market. Otherwise, there is a risk that their Shares may be sold at a discount to the then prevailing market price.

## 5.7 Effect of the Offer on the Company's securities

Assuming that no Options are exercised prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	Shares No.	Shares %
Existing Shares <sup>1</sup>	564,703,371	66.67
New Shares issued under this Prospectus	282,351,686	33.33
<b>Total Shares</b>	<b>847,055,057</b>	<b>100</b>

**Note:**

- 1 Details of the issue, and the Company's capital structure, described in this Prospectus have assumed no Options will have been issued prior to the Record Date.

Options	Number
Unlisted Options exercisable at \$0.0261 on or before 2 October 2015 <sup>1</sup>	4,000,000
Unlisted Options exercisable at \$0.0156 on or before 1 November 2015 <sup>1</sup>	769,231
Unlisted Options exercisable at \$0.0144 on or before 3 December 2015 <sup>1</sup>	833,333
Unlisted Options exercisable at \$0.0144 on or before 27 December 2015 <sup>1</sup>	833,333
Unlisted Options exercisable at \$0.06 on or before 30 June 2017 <sup>1</sup>	4,000,000
Unlisted Options exercisable at \$0.0144 on or before 31 January 2016 <sup>1</sup>	833,333
Unlisted Options exercisable at \$0.0072 on or before 27 February 2016 <sup>1</sup>	1,666,667
Unlisted Options exercisable at \$0.0072 on or before 31 March 2016 <sup>1</sup>	3,000,000

Options	Number
New Options issued under this Prospectus exercisable at \$0.04 on or before 30 June 2016 <sup>2</sup>	282,351,686
<b>Total Options</b>	<b>298,287,583</b>

**Note:**

- 1 The terms of the Options on issue allow for the exercise price to change following a rights issue, and the exercise price of Options will change in accordance with the formula in Listing Rule 6.22.
- 2 See section 9.2 for full terms and conditions of the New Options offered.

The Company is also indebted under a convertible loan for \$250,000. The loan is repayable on or before 30 September 2014 and has an interest rate of 8% per year. The creditor has agreed to underwrite the Offer for \$125,000.

## **5.8 Statement of financial position**

Set out below is the Consolidated Statement of Financial Position of the Company and the Consolidated Pro-Forma Statement of Financial Position (both unaudited), as at 31 March 2014 and on the basis of the following assumptions:

- (a) the Offer was effective in full on 31 March 2014 with no Entitlement taken up and costs of approximately \$65,500; and
- (b) no further Shares are issued (including by way of exercise of Options) other than all Shares offered under this Prospectus.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for year ended 30 June 2013.

## Consolidated Statement of Financial Position

	Unaudited 31 March 2014	Unaudited Pro forma 31 March 2014	notes
	\$	\$	
<b>Current Assets</b>			
Cash and cash equivalents	37,452	414,452	1
Trade and other receivables	145,721	145,721	
Prepayments	-	25,485	2
Inventories	-	-	
Other financial assets	78,503	78,503	
<b>Total Current Assets</b>	<u>261,676</u>	<u>664,161</u>	
<b>Non-Current Assets</b>			
Property, plant and equipment	1,777,117	1,777,117	
Exploration and evaluation expenditure	21,208,509	21,208,509	
Other financial assets	80,000	80,000	
<b>Total Non-Current Assets</b>	<u>23,065,626</u>	<u>23,065,626</u>	
<b>TOTAL ASSETS</b>	<u>23,327,302</u>	<u>23,729,787</u>	
<b>Current Liabilities</b>			
Trade and other payables	2,853,497	2,419,999	
Interest bearing liabilities	7,677,997	493,839	4
Provisions	27,892	27,892	
<b>Total Current Liabilities</b>	<u>10,559,386</u>	<u>2,941,730</u>	
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	264,851	4,121,087	3
Derivative liability	46,694	46,694	
Provisions	3,783,506	3,783,506	
<b>Total Non-Current Liabilities</b>	<u>4,095,051</u>	<u>7,951,287</u>	
<b>TOTAL LIABILITIES</b>	<u>14,654,437</u>	<u>10,893,017</u>	
<b>NET ASSETS</b>	<u>8,672,865</u>	<u>12,836,770</u>	
<b>EQUITY</b>			
Issued capital	121,764,472	125,928,377	
Reserves	132,330	132,330	
Accumulated losses	(113,223,937)	(113,223,937)	
<b>TOTAL EQUITY</b>	<u>8,672,865</u>	<u>12,836,770</u>	

**Note:**

- 1 Includes a \$250,000 loan from Jungle Creek and \$80,000 short term loan from Other Underwriters received in April 2014.
- 2 Relates to a prepayment of Director fees to Garry East from 1 April 2014 to 30 June 2014.
- 3 Includes the \$250,000 loan from Jungle Creek in April 2014.
- 4 Includes transfer of Jungle Creek's loan from current to non-current.

**5.9 Effect on control**

**(a) Jungle Creek**

Jungle Creek has agreed to underwrite the Offer for \$3,452,923. See section 8.4 for terms of the underwriting.

Jungle Creek currently has a relevant interest in 93,283,587 Shares, or a voting power of 16.52%. The maximum voting power he will acquire is:

- (i) 38.29% following the closing of the Offer and prior to the exercise by Jungle Creek of any New Options; and
- (ii) 51.50% following the exercise by Jungle Creek of all New Options it may hold following the Offer.

On 9 June 2014, Shareholders approved Jungle Creek's acquisition of Shortfall Shares so that its voting power may increase up to the above.

As set out in section 3.5 of the Notice of Meeting, the extent to which Jungle Creek will increase its interest in the Company will depend on the extent to which Eligible Shareholders apply for New Shares under the Offer.

Jungle Creek and Mr Streeter have informed the Company that, they have no current intentions to:

- (i) change the business of the Company;
- (ii) inject future capital into the Company, other than in accordance with the Letter of Comfort;
- (iii) change the future employment of present employees of the Company;
- (iv) implement any proposal where assets will be transferred between the Company and Jungle Creek or its associates, other than under the Security Interest;
- (v) otherwise redeploy the fixed assets of the Company; or
- (vi) change the financial or dividend distribution policies of the Company.

The Jungle Creek Underwriting will not result in any change to the Letter of Comfort (other than an extension of the due date for repayment to 30 September 2015).

Jungle Creek may only exercise its rights under the Security Interest if an event of default occurs under the Security Interest. Jungle Creek's rights include the right to take possession of, and sell, the Queensland coal assets.

(b) Underwriters other than Jungle Creek

Underwriters other than Jungle Creek will not have a voting power of 20% or more of the Company as a result of the issue of New Securities.

(c) Others

As the Offer is non-renounceable, the Company has not appointed a nominee for the purposes of section 615 of the Corporations Act and Shareholders may not rely upon item 10 of section 611 of the Corporations Act to have a voting power of 20% or more.

Other than disclosed in this Prospectus, no person's voting power in the Company may increase to 20% or more as a result of the issue of the New Securities.

## 5.10 Dilution

Shareholders who do not take up their Entitlement will have their holdings diluted. Following is a table which sets out the dilutionary effect assuming:

(a) No Eligible Shareholders take up their Entitlement; and

(b) no Options are exercised:

Holder	Holding at Record Date		Entitlement	Holding at close of the Offer	
	Number	%		Number	%
1	25,000,000	4.43%	12,500,000	25,000,000	2.95%
2	10,000,000	1.77%	5,000,000	10,000,000	1.18%
3	5,000,000	0.89%	2,500,000	5,000,000	0.59%
4	1,000,000	0.18%	500,000	1,000,000	0.12%

Following is a table which sets out the dilutionary effect assuming:

(a) No Eligible Shareholders take up their Entitlement; and

(b) All Underwriters exercise all of their New Options:

Holder	Holding at Record Date		Entitlement	Holding at close of the Offer	
	Number	%		Number	%
1	25,000,000	4.44%	12,500,000	25,000,000	2.21%
2	10,000,000	1.77%	5,000,000	10,000,000	0.89%
3	5,000,000	0.89%	2,500,000	5,000,000	0.44%
4	1,000,000	0.18%	500,000	1,000,000	0.09%



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## 6 RISK FACTORS

The New Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below and together with information contained elsewhere in this Prospectus and to consult with your professional advisers before deciding whether to apply for New Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is a not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 6.1 Risk specific to the Offer

(a) Future funding and ability to continue as going concern

The funds raised from the Offer will be used to repay debt and for general working capital. In the event there is a significant Shortfall, funds raised will not be sufficient to any future exploration and operational activities, and that additional funding will be required.

The Company is currently reliant upon the Letter of Comfort and loans from Jungle Creek to remain solvent. The Letter of Comfort lapses on 30 September 2014.

The Company has not identified any alternative short-term funding its ability to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. Should the Company be unsuccessful in undertaking additional raisings, there is a risk that the Company may not be able to continue as a going concern.

Furthermore, raising additional capital may be dilutive to existing Shareholders.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted by 50%.

(c) Control

The maximum voting power that Jungle Creek may have following the Offer is 38.29% prior to the exercise of any Options or up to a maximum of 51.5% assuming that Jungle Creek exercises its Options but no other Shares are issued. Jungle Creek's intentions are set out in section 5.9(a). There is a risk that Jungle Creek's interests may not align with other Shareholders' interests.

## 6.2 Company and industry risks

### (a) Queensland Coal Assets

The Company has announced that it is in discussions with possible partners to advance the Company's Queensland coal assets. There is a risk that these discussions may not result in a transaction or that any transaction may not be on terms as favourable as the Company currently expects.

### (b) Tenement holding costs

The Company's Radio Hill project consists of a large number of mining leases, with total annual expenditure commitment of approximately \$2 million per annum. There is a risk that these commitments may not be met, which may jeopardise the Company's interest in the mining tenements.

### (c) Operating risks

The Company's operations may be affected by various factors including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in operating plant and equipment; mechanical failures or breakdowns; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be provided that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to extract value from its projects, the Company is likely to incur ongoing operating losses.

### (d) Exploration risk

The Company is an exploration company with various tenements and projects located in Western Australia and Queensland that are in the exploration phase. The tenements and projects held by the Company are early stage with limited exploration and investors should understand that mineral exploration is a high risk activity. The Company does not provide any assurances that its exploration activities will guarantee the discovery and/or economic exploitation of a significant mineral resource.

The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Non-approval or a delay in the approval process could have a negative impact on exploration conducted by the Company as well as its Share price.

The exploration and operating costs of the Company are based on certain assumptions with respect to exploration methods and the timing of exploration activities undertaken. By their nature, these estimates and assumptions are subject to uncertainties and as such, actual costs may materially differ from the estimates and assumptions. No assurances can be provided that cost estimates and their underlying assumptions will be realised in practice which could adversely affect the Company.

(e) Resource estimates

The Company has previously announced resource estimates. Resource estimates are expressions of judgement based on knowledge, experience and industry practice (refer to the JORC Code for further information on resource estimation). Estimates that were valid when originally made may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company will employ industry-standard techniques including compliance with the JORC Code to reduce the resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

(f) Environmental risk

The exploration and operational activities of the Company are subject to State and Federal laws concerning the environment.

The Company's activities are expected to have an impact on the environment particularly if advanced exploration or minesite recommissioning or development proceeds. It is the Company's intention to continue to conduct its operations and activities to the highest standard of environmental obligation including but not limited to compliance with all environmental laws and regulations.

(g) Commodity risk

As a company exploring for base metals, nickel, coal and gold, the Company's Share price or earnings may be related to the market prices for these commodities.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company, such as global supply and demand and general global economic conditions. These factors may affect the Company's exploration and project development plans and the ability to finance those plans.

(h) Joint venture, acquisitions or other strategic investments

The Company is currently, and may in the future become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

The Company may enter into strategic investments in complementary businesses, or enter into strategic alliances or partnerships with third parties in order to enhance its business. Such arrangements involve a wide range of risks.

(i) Legal risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations could impact adversely on the assets, operations and financial performance of the Company and its securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

The Company has agreed to sell a mining lease (currently an application) to a third party. The sale is conditional on, and will complete on the grant of the mining lease. The Company is currently involved in legal proceedings before the Wardens Court including an objection to the grant of a miscellaneous licence which overlaps the mining lease application. If the miscellaneous licence is granted without protective conditions preserving the rights of the Company, the activities on the mining lease may be adversely affected. If the mining lease is not granted the Company may need to return the part payment it has received in respect of the sale. The Company is vigorously defending its rights under the Mining Act 1978 (WA) in relation to the objection.

The Company has received a statutory demand for \$77,641 from James Cooper, a former director of the Company. The statutory demand relates to unpaid directors' fees.

The Company believes the debt the subject of the statutory demand is not due and payable, and if required will apply to the Courts to have the demand set aside. If the Company is unsuccessful in resolving or setting aside the demand, the Company will have to pay the director's fee or be subject to an order that it be wound up.

(j) Payment plan risk

The Company has entered into a number of payment plans with key creditors. There is a risk that if the Company is unable to comply with a payment plan, the creditor may seek to recover the debt, including by issuing a statutory demand. Where this was to occur, the Company would need to defend such actions and be subject to the determination of the relevant Court as to the outcome of those proceedings.

(k) Access risk and native title

The Company's tenement interests are governed by Federal and State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments. The Company could lose title to its interests in its tenements if expenditure and reporting commitments are not met when they arise.

The Company's tenements are on a combination of freehold land, pastoral leases and crown land reserves of various categories also exist in some tenements. There may be areas over which legitimate common Native Title rights exist. If Native Title rights do exist the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner or Native Title claimant), or to progress from the exploration phase to the development and mining phases of operation may be adversely affected.

Access to freehold land may be subject to agreements reached with any relevant landowner regarding restrictions of access whilst land is subject to cropping or animal husbandry practices. Adverse weather conditions may also restrict access to land for the purpose of carrying out activities such as drilling. Recent political debate over respective rights of farmers and mining/exploration has heightened potential sovereign risk attached to the Company's proposed activities.

(l) Uninsured loss and liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all potential losses or liabilities that could arise from its activities. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for exploration will be reduced and could create risk for the value of the Company's assets.

### 6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

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## **7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS**

### **7.1 What you may do**

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2); and
- (b) apply for Shortfall Shares (see section 7.3);
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

### **7.2 To subscribe for all or part of your Entitlement**

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Securities offered by this Prospectus before deciding to apply for New Securities. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Securities you are entitled to subscribe for.

### **7.3 To apply for Shortfall Shares**

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.8 for details of the manner in which Shortfall Shares will be allocated.

A cheque, bank draft or money order should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY<sup>®3</sup>, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5.00pm Eastern Standard Time (3.00pm (WST)) on the Closing Date.

Any refunds of application moneys will be returned to Applicants without interest as soon as practicable following the issue of all Shortfall Shares.

### **7.4 Entitlements not taken up**

If you are an Eligible Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Securities and your Entitlement will become Shortfall Securities.

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<sup>3</sup> <sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

## 7.5 Payment methods

### *Cheque, bank draft or money order*

The completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Fox Resources Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.015 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Securities you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Securities as your cleared application money will pay for (and to have specified that number of New Securities in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received at the following addresses by no later than 5.00 pm (WST) on the Closing Date:

By Post To:	Hand Delivery:
Fox Resources Limited	Fox Resources Limited
C/- Advanced Share Registry	C/- Advanced Share Registry
PO Box 1156	110 Stirling Highway
Nedlands WA 6909	Nedlands WA 6009

### **BPAY**

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5.00pm Eastern Standard Time (3.00pm (WST)) on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into

consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5.00pm Eastern Standard Time (3.00pm (WST)) on the Closing Date. If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application moneys being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

## **7.6 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application moneys, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite Application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Securities may not be offered, sold or otherwise transferred



except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon issue of the New Securities.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application moneys.

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## **8 DETAILS OF THE OFFER**

### **8.1 Shares offered for subscription**

By this Prospectus the Company makes a non-renounceable pro rata offer of 1 New Share for every 2 Existing Shares held as at the Record Date at an issue price of \$0.015 with 1 free attaching New Option (exercisable at \$0.04 on or before 30 June 2016) for every New Share issued to raise up to approximately \$4.235 million before issue costs. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Securities are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares and the terms and conditions of the New Options offered under this Prospectus are summarised in section 9.

### **8.2 Minimum subscription**

There is no minimum subscription to this Offer as it is fully underwritten.

### **8.3 Acceptances**

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

### **8.4 Underwriting by Jungle Creek**

Jungle Creek, an entity controlled by Mr Streeter (the Company's Chairman) has agreed to underwrite the Offer for up to 230,194,837 New Securities, or up to \$3,452,923 (**Underwritten Amount**), in accordance with an underwriting agreement between Jungle Creek and the Company dated 30 April 2014. The balance of the Offer will be underwritten by certain other creditors of the Company (see section 8.5).

Jungle Creek will not be paid a fee for underwriting the Offer. In accordance with the underwriting agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain limitations, including loss due to the Underwriter performing its obligations under the agreement) agreed to indemnify Jungle Creek, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (b) the Company and Jungle Creek have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) Jungle Creek may (in certain circumstances, including having regard to the materiality of the relevant event) terminate its underwriting agreements and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

- (i) the Prospectus is misleading or contains an omission;
- (ii) ASIC commences an investigation into the Offer; and
- (iii) the Company withdraws the Offer.

Jungle Creek is a related party of the Company for the purposes of Chapter 2E of the Corporations Act. The Directors, other than Mr Streeter, consider the terms of the underwriting agreement with Jungle Creek to be reasonable in the circumstances as if the Jungle Creek and the Company were dealing on arm's length terms. For that reason, Shareholder approval for the purposes of Chapter 2E of the Corporations Act was not sought for the Underwriting Agreement. Mr Streeter was not involved in Board deliberations in relation to the terms of the underwriting agreement.

On 9 June 2014 Shareholders approved the acquisition of Shortfall Shares under the Underwriting Agreement with Jungle Creek. See sections 5.3 and 5.9 for more detail.

### **8.5 Underwriting by others**

In addition to the underwriting by Jungle Creek, the balance of the Offer will be underwritten by certain other creditors of the Company. The underwriting agreements with the Other Underwriters are all on the same terms including as follows:

- (a) The Other Underwriters will not be entitled to a fee.
- (b) The underwriting commitments of the Other Underwriters are conditional only upon the Company not withdrawing the Offer.

Both Paul Dunbar and Garry East are Other Underwriters. Mr Dunbar has irrevocably agreed to underwrite the Offer by subscribing for up to 500,000 Shares. This obligation will be satisfied in cash. Mr East has irrevocably agreed to apply for his Entitlement and underwrite the Offer by subscribing for up to 13,183,333 Shares. Mr East's underwriting obligation will be set off against and is in full satisfaction of the debt owed by Fox to Mr East of \$197,750. Neither Mr Dunbar nor Mr East will receive an underwriting fee in relation to the underwritings.

### **8.6 Entitlement to Offer**

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

### **8.7 Rights trading**

The Offer is non-renounceable. This means that the entitlements of Eligible Shareholders to subscribe for New Securities under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their entitlement will receive no benefit and their shareholding in the Company will be diluted as a result.

### **8.8 Shortfall**

Any Shares not applied for under the Offer are Shortfall Shares. If the Underwriters are released from their underwriting obligations on the occurrence of a termination event as

set out in section 8.4, the Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue. The Company will allocate Shortfall Shares:

- (a) firstly to Eligible Shareholders with less than a marketable parcel who apply for Shortfall Shares under the Prospectus in addition to their Entitlement (to the extent required for them to each have a marketable parcel);
- (b) then, secondly to Eligible Shareholders who apply for Shortfall Shares under the Prospectus in addition to their Entitlement with any oversubscriptions scaled back pro rata to the number of Shortfall Securities applied for;
- (c) then, thirdly to the underwriters other than Jungle Creek (**Other Underwriters**) who do not have the right to set off their underwriting obligation against debts owed to those Other Underwriters on a pro rata basis;
- (d) then, fourthly to the Other Underwriters who have the right to set off their underwriting obligation against debts owed to those Other Underwriters on a pro rata basis; and
- (e) finally, to Jungle Creek.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

## **8.9 Offer outside Australia and New Zealand**

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Securities or the Offer or otherwise to permit an offering of the New Securities in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and

the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the *US Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

#### **8.10 Treatment of overseas Shareholders**

Given the small number of Shareholders with registered addresses outside Australia or New Zealand and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to any Shareholder, as at the Record Date, whose registered address is not situated in Australia and New Zealand. The Prospectus will not be sent to those Shareholders.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Securities.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

#### **8.11 Beneficial holders, nominees, trustees and custodians**

The foreign selling restrictions under the Offer summarised in sections 8.9 and 8.10 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Securities does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

#### **8.12 Allotment and application money**

New Securities will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Securities will be issued on 30 June 2014.

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Securities are issued or application moneys

returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

### 8.13 Quotation

The Company will apply to ASX within 7 days after the date of the original Prospectus (6 June 2014) for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Securities offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

### 8.14 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgment of this Prospectus with the ASIC, and the last market sale price on the date before the lodgment date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price	\$0.018 on 4 April 2014	\$0.011 on 8 May 2014	\$ 0.014 on 6 June 2014

### 8.15 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Securities issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### **8.16 Taxation and duty implications**

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Securities under this Prospectus.

### **8.17 Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

### **8.18 Enquiries**

Any queries regarding the Offer should be directed to Mr David Peterson, Company Secretary on +61 8 9318 5600.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 8 9389 8033, from 8.30am to 5.00pm (WST), Monday to Friday.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

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## 9 RIGHTS AND LIABILITIES ATTACHING TO NEW SECURITIES

### 9.1 Rights and liabilities attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the Board may determine that a dividend is payable, fix the amount and time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder entitled to that dividend.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.



(f) Election of Directors

There must be a minimum of 3 but not exceeding 10 Directors. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(g) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- (iii) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

(i) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 9.2 Terms and conditions of New Options

The terms of the issue of the New Options are:

- (a) The Options will be issued for no consideration.
- (b) Each Option entitles the holder to one Share.
- (c) The exercise price of the Options is \$0.04 each.
- (d) The expiry date of the Options is 30 June 2016.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (f) The Options are transferable and application will be made for the Options to be quoted on ASX.
- (g) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (h) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (i) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
  - (i) the exercise price of the Option; or
  - (ii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (j) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (k) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.

- (l) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

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## **10 ADDITIONAL INFORMATION**

### **10.1 Competent person statement**

The information in this Prospectus relates to Exploration Targets, Exploration Results or Mineral Resources is based on information compiled by the Company and reviewed by Mr Paul Dunbar, a competent person, who is a Member of both the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). Mr Dunbar is a full time employee of Fox Resources. Mr Dunbar has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Dunbar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

### **10.2 Continuous disclosure obligations**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgment of the Company's annual financial statements of the Company for the financial year ended 30 June 2013 to the issue of this Prospectus which required the Company to notify ASX of information about

specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2013 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgment of that annual report and before the lodgment of this Prospectus; and
  - (iii) any continuous disclosure notices given by the Company after the lodgment of the financial report referred to in paragraph (i) and before the lodgment of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since 30 June 2013 Annual Financial Report:

Date	Description of Announcement
10/06/2014	Non-Renounceable Issue letter to option holders
10/06/2014	Results of Meeting 9 June 2014
10/06/2014	Appendix 3B
06/06/2014	Non-Renounceable Issue Prospectus
06/06/2014	Change of Company Secretary
04/06/2014	Expiration of unlisted options
22/05/2014	Clarification of calculation error - Notice of Meeting & IER
16/05/2014	Secondary Trading Notice

Date	Description of Announcement
16/05/2014	Appendix 3B
09/05/2014	Notice of General Meeting
05/05/2014	Entitlement Offer timetable & Appendix 3B
05/05/2014	Reinstatement to Official Quotation
05/05/2014	Fully underwritten non-renounceable entitlement offer
02/05/2014	Suspension from Official Quotation
30/04/2014	Quarterly Cashflow Report
30/04/2014	Quarterly Activities Report
30/04/2014	Trading Halt
22/04/2014	Details of Share Registry address
16/04/2014	Conclusion of Funding Agreement
11/04/2014	Appendix 3Z
11/04/2014	Director Appointment/Resignation
03/04/2014	Change of Director's Interest Notice
02/04/2014	ICX: ICX announces 41Mt Inferred Resource at Bundaberg
01/04/2014	Appendix 3B
01/04/2014	Exploration Target identified at Bundaberg
21/03/2014	Change of registered office
20/03/2014	Reinstatement to Official Quotation
20/03/2014	101.2Mt Inferred Resource at Bundaberg Project
20/03/2014	Suspension from Official Quotation
18/03/2014	Trading Halt
14/03/2014	Half Year Accounts
14/03/2014	ICX: Results for Bundaberg Project

Date	Description of Announcement
14/03/2014	High Quality Coking Coal Confirmed at Fox
04/03/2014	ICX: International Coal & Fox Resources to cooperate
04/03/2014	FXR & ICX to collaborate on Bundaberg Coking Coal Project
28/02/2014	Secondary Trading Notice
28/02/2014	Appendix 3B
20/02/2014	Bundaberg Coking Coal Project - Exploration Update
31/01/2014	Appendix 3Z
31/01/2014	Secondary Trading Notice
31/01/2014	Appendix 3B
31/01/2014	Quarterly Activities & Cashflow Report
24/01/2014	Bundaberg Exploration Update
15/01/2014	Appendix 3B
13/01/2014	Share Trading Policy
10/01/2014	Secondary Trading Notice
10/01/2014	Appendix 3B
06/01/2014	Change of Director's Interest Notice
06/01/2014	Appendix 3B
31/12/2013	Fox receives \$1.16M from bond refund
30/12/2013	Secondary Trading Notice
30/12/2013	Appendix 3B
23/12/2013	Diamond core confirms coal at Bundaberg coking coal project
09/12/2013	Secondary Trading Notice
09/12/2013	Appendix 3B
09/12/2013	Coal intersected at Bundaberg Coking Coal Project

Date	Description of Announcement
05/12/2013	Trading Halt Request
05/12/2013	Trading Halt
05/12/2013	Change of Share Registry provider
03/12/2013	Secondary Trading Notice
03/12/2013	Appendix 3B
29/11/2013	Constitution
29/11/2013	Results of Meeting
29/11/2013	Company Presentation
29/11/2013	New share issue - ASX waiver granted
29/11/2013	Drilling commences at Bundaberg Coking Coal Project
15/11/2013	Extension of loan agreement
15/11/2013	Response to ASX Appendix 5B Query
06/11/2013	Change of Director's Interest Notice
04/11/2013	Approvals gained Bundaberg coking coal project
01/11/2013	Secondary Trading Notice
01/11/2013	New issue announcement & Appendix 3B
31/10/2013	Quarterly Activities Report
29/10/2013	Notice of Annual General Meeting/Proxy Form

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from [www.asx.com.au](http://www.asx.com.au).

### 10.3 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Current holding		Entitlement	
	Shares	Options	New Shares	New Options



Terry Streeter	93,283,587	nil	46,641,794	46,641,794
Paul Dunbar	1,000,000	2,000,000 <sup>1</sup>	500,000	500,000
Garry East	38,100,000	nil	19,050,000	19,050,000

**Notes:**

- 1 Issued under Employee Option Plan exercisable at \$0.06 on or before 30 June 2017.

**Remuneration accrued but not paid to Directors in the two years prior to the date of this Prospectus<sup>1</sup>**

	2012	2013
Terry Streeter	\$172,696 <sup>2</sup>	\$163,500 <sup>2</sup>
Paul Dunbar <sup>3</sup>	n/a	n/a
Garry East	\$59,133 <sup>2</sup>	\$81,750 <sup>2</sup>

**Notes:**

- 1 As disclosed in the 2013 Annual Report the Directors elected not to receive payment until the Company is in a stronger financial position.
- 2 Inclusive of superannuation.
- 3 Mr Dunbar was appointed a director on 23 September 2013 and is paid \$250,000 per annum, excluding superannuation.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

#### **10.4 Interests of promoters and named persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Kings Park Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$20,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers has received approximately \$27,000 (excluding GST) and is owed approximately a further \$10,000 (excluding GST) for fees for services to the Company in the 2 years prior to the date of this Prospectus.

BDO Corporate Finance (WA) Pty Ltd prepared the Independent Expert's Report. In respect of this work, the Company will pay approximately \$25,500 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. BDO Corporate Finance (WA) Pty Ltd has received approximately \$1,570 and is owed approximately a further \$2,244 for fees for services to the Company in the 2 years prior to the date of this Prospectus.

Agricola Mining Consultants Pty Ltd has prepared a valuation of the Company's projects in accordance with the VALMIN Code for inclusion in the Independent Expert's Report. In respect of this work, the Company will pay approximately \$6,000 exclusive of GST. Agricola Mining Consultants Pty Ltd has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

Jungle Creek has acted as an underwriter to the Offer. Jungle Creek will not receive any fees in respect of this work. Jungle Creek has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

## 10.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Kings Park Corporate Lawyers	Lawyers
Advanced Share Registry	Share Registry
BDO Corporate Finance (WA) Pty Ltd	BDO prepared the Independent Expert's Report included in the Notice of Meeting
Agricola Mining Consultants Pty Ltd	Agricola Mining Consultants Pty Ltd to prepare a valuation of the Company's projects in accordance with the VALMIN Code
Jungle Creek	Underwriter

## 10.6 Expenses of the Offer

The total expenses of the Offer are estimated to be \$65,500, consisting of the following:

Cost	\$
Registry & mail-out	\$18,000
Legal fees	\$30,000
ASX fees	\$7,500

ASIC and other expenses	\$10,000
<b>Total</b>	<b>\$65,500</b>

These expenses have or will be paid by the Company.

## 10.7 Litigation

The Company has agreed to sell a mining lease (currently an application) to a third party. The sale is conditional on, and will complete on the grant of the mining lease. The Company is currently involved in legal proceedings before the Wardens Court including an objection to the grant of a miscellaneous licence which overlaps the mining lease application. If the miscellaneous licence is granted without protective conditions preserving the rights of the Company, the activities on the mining lease may be adversely affected. If the mining lease is not granted the Company may need to return the part payment it has received in respect of the sale. The Company is vigorously defending its rights under the Mining Act 1978 (WA) in relation to the objection.

The Company has received a statutory demand for \$77,641 from James Cooper, a former director of the Company. The Company denies the alleged debts are due at this time and plans to apply to set aside the statutory demand.

For more detail please see section 6.2(i). The Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

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## 11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 10 June 2014

A handwritten signature in black ink, appearing to read 'Paul Dunbar', is positioned above a horizontal dotted line.

Signed for and on behalf of  
Fox Resources Limited by  
Paul Dunbar

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## 12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

<b>\$, A\$ or Dollars</b>	Australian dollars unless otherwise stated.
<b>Applicant</b>	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
<b>Application</b>	a valid application made on an Entitlement and Acceptance Form to subscribe for New Securities pursuant to this Prospectus.
<b>ASIC</b>	the Australian Securities & Investments Commission.
<b>ASX</b>	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>BDO or Independent Expert</b>	BDO Corporate Finance (WA) Pty Ltd.
<b>Board</b>	the board of Directors.
<b>Business Day</b>	Monday to Friday inclusive, except any day that ASX declares is not a business day.
<b>Closing Date</b>	the date set out in section 1.
<b>Company or Fox</b>	Fox Resources Limited (ABN 44 079 902 499).
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Deeds</b>	the indemnity, insurance and access deeds between the Company and each of the Directors.
<b>Director</b>	a director of the Company.
<b>Eligible Shareholders</b>	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
<b>Entitlement</b>	a Shareholder's entitlement to subscribe for New Securities offered by this Prospectus.
<b>Entitlement and Acceptance Form</b>	the personalised entitlement and acceptance form attached to this Prospectus.
<b>Existing Share</b>	a Share issued as at 5pm (WST) on the Record Date.

<b>Independent Directors</b>	means Mr Paul Dunbar and Mr Garry East.
<b>Jungle Creek</b>	Jungle Creek Gold Mines Pty Ltd (ACN 008 795 033).
<b>Jungle Creek Debt</b>	has the meaning given in section 5.2.
<b>Jungle Creek Underwriting</b>	has the meaning given in section 5.1.
<b>Listing Rules</b>	the listing rules of the ASX.
<b>New Options</b>	Options issued pursuant to this Prospectus exercisable at \$0.04 on or before 30 June 2016.
<b>New Securities</b>	New Shares and New Options.
<b>New Shares</b>	Shares issued pursuant to this Prospectus.
<b>Non-eligible Foreign Shareholders</b>	a Shareholder whose registered address is not in Australia or New Zealand.
<b>Notice of Meeting</b>	the notice of meeting of the Company dated 9 May 2014 including the schedules.
<b>Offer</b>	an offer made in this Prospectus to subscribe for New Securities.
<b>Official List</b>	the official list of the ASX.
<b>Opening Date</b>	the date set out in section 1.
<b>Option</b>	an option to purchase a Share.
<b>Other Underwriters</b>	the Underwriters, other than Jungle Creek.
<b>Prospectus</b>	this replacement prospectus and includes the electronic replacement prospectus.
<b>Record Date</b>	the date set out in section 1.
<b>Security Interest</b>	has the meaning given in section 5.4.
<b>Share</b>	a fully paid ordinary share in the Company.
<b>Share Registry</b>	Advanced Share Registry (ABN 48 078 279 277).
<b>Shareholder</b>	the registered holder of Shares in the Company.
<b>Shareholder Meeting</b>	the meeting of Shareholders which was held on 9 June 2014.

<b>Shortfall</b>	will occur if the Company does not hold successful valid Applications for all the New Securities offered by the Company under this Prospectus by the Closing Date.
<b>Shortfall Offer</b>	has the meaning given in section 8.8.
<b>Shortfall Securities</b>	New Securities for which valid Applications have not been received by the Closing Date.
<b>Underwriters</b>	Jungle Creek Gold Mines Pty Ltd, Paul Dunbar, Garry East, Murdoch Capital, Newexco Services Pty Ltd, Northmead Holdings, Andrew Moon, Lauren East, Peter Verhoeven and Lorna Chorley.
<b>Underwritten Amount</b>	has the meaning given in section 8.4.
<b>Unmarketable Parcel Shareholders</b>	has the meaning given in section 5.6.
<b>US person</b>	has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>WST</b>	Western Standard Time, Western Australia.