

# Exploration and Activities Update June 2014





# Disclaimer

The material used in this presentation is intended to be a summary of selected geological data, current and proposed activities, as well as resource estimates based on information available to Fox Resources Limited at the time. It does not include all available information and should not be used in isolation as a basis to invest in Fox Resources. Any potential investors should refer to Fox Resources Limited ASX releases and statutory reports before considering investing in the company.

The information within this presentation relating to exploration activities and Resources on the Company's projects is based on information compiled by Mr Paul Dunbar who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geosciences. Mr Dunbar is a full time employee of Fox Resources and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Mr Dunbar has consented to the inclusion in the presentation of the information in the form and context.

## **Cautionary statement regarding inferred and indicated resources**

The production targets, and the revenue and valuation information based on those targets, set out in this presentation are currently conceptual in nature and relate to future production goals based on Fox's current inferred and indicated resources. [While the resources are adequate to support these production targets] the resources are not ore reserves within the meaning of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and, therefore, it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation exists to reliably estimate future production rates.

## **Forward looking statements**

This presentation includes forward looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding Fox's plans, objectives, estimates and targets in relation to the Radio Hill Heap Leaching Operation (including development plans and objectives relating to production forecasts), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fox to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Such forward looking statements are based on numerous assumptions regarding Fox's present and future business strategies and the environment in which Fox will operate in the future. Among the important factors that could cause Fox's actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward looking statements.

# Fox Board and Management



Terry Streeter  
**Chairman**



Paul Dunbar  
**Managing  
Director**



Garry East  
**Non-Executive  
Director**



David Peterson  
**Company  
Secretary**

# Corporate Structure

Ordinary Shares	565 million
Market Cap (\$0.012)	AUD \$6.7 million
Listed on ASX	2002
ASX Code	FXR

Significant Shareholders	Shares (m)	%
Jungle Creek Gold Mines & Velsberry Pty Ltd	93.3	16.52
Breton & Zashvin Pty Ltd	92.1	16.35
GTE Superannuation Pty Ltd	38.1	6.76
Jinchuan Group Ltd	32.9	5.81
BBY	19.5	3.45
<b>Top 20</b>	<b>355.1</b>	<b>62.89</b>

# Rights Issue

- 1 for 2 Entitlements Issue at 1.5¢ with 1 free two year 4¢ option
- Prospectus lodged 10 June 2014 and dispatched to shareholders 17 June 2014
- Raising \$4.235M for
  - Exploration
    - Radio Hill – Base Metals
    - Queensland Coal Projects
  - Debt Repayment
  - Working capital
- Independent Expert Report completed by BDO suggests a valuation of between 3.01¢ and 4.93¢ per share
  - Preferred value 3.87¢ per share pre offer
  - The rights issue will strengthen the balance sheet and extend the term of several loans

# Rights Issue - Timetable

<b>Lodgment Date</b>	<b>6 June 2014</b>
<b>Lodgment of replacement prospectus</b>	<b>10 June 2014</b>
<b>Shareholder Meeting approves the grant of a Security Interest to Jungle Creek and the acquisition of Shortfall Shares by Jungle Creek</b>	<b>9 June 2014</b>
<b>Ex Date – Shares trade ex Entitlement</b>	<b>12 June 2014</b>
<b>Record date to determine Entitlement</b>	<b>16 June 2014</b>
<b>Prospectus with Entitlement and Acceptance Form dispatched</b>	<b>17 June 2014</b>
<b>Offer opens for receipt of Applications</b>	<b>17 June 2014</b>
<b>Closing date for acceptances</b>	<b>26 June 2014</b>
<b>Notify ASX of under-subscriptions</b>	<b>30 June 2014</b>
<b>Issue of New Securities</b>	<b>30 June 2014</b>
<b>Dispatch of Shareholding statements</b>	<b>30 June 2014</b>
<b>Trading of New Shares expected to commence</b>	<b>1 July 2014</b>
<b>Last date to issue Shortfall Securities</b>	<b>26 September 2014</b>

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.



# COMPANY SNAPSHOT

## COAL

**Inferred Coking Coal Resource 101.2Mt<sup>1</sup>**

Significant Exploration Target identified

High Quality Coking Coal

Excellent Infrastructure

Further Exploration Planned

## NICKEL

**Drilling planned**

Multiple earlier stage prospects

## COPPER

Multiple targets open at depth

Ayshia - intersections include; **23.7m @ 3.2%Cu,**

**9.25m @ 4.4%Cu, 17m @ 2.9%Cu**

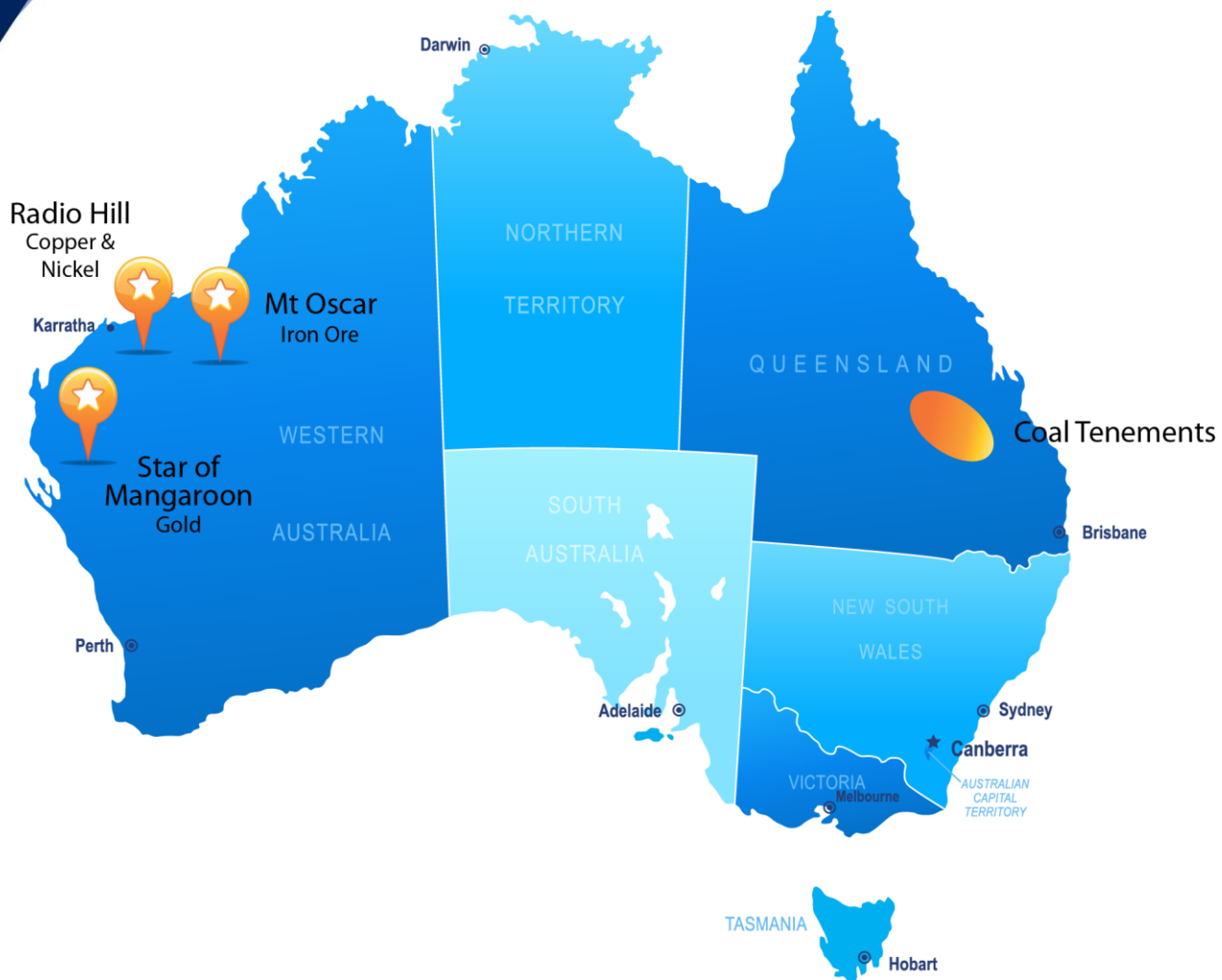
Whundo -

**Drilling planned**

## GOLD

Multiple high grade Targets

# Project Overview





## **Maiden Coking Coal Inferred Resource 101.2Mt<sup>1</sup>**

High Quality Coking Coal

- Raw Coal Sampling<sup>2</sup>
  - **<10% Ash**
  - **Calorific Values >7,000 Kcal/kg**
  - Sulphur low (max 0.87%)
  - **CSN 8** for most of the seams
- Clean composite analysis completed
- 20 – 50Mt Exploration Target along strike<sup>3</sup>

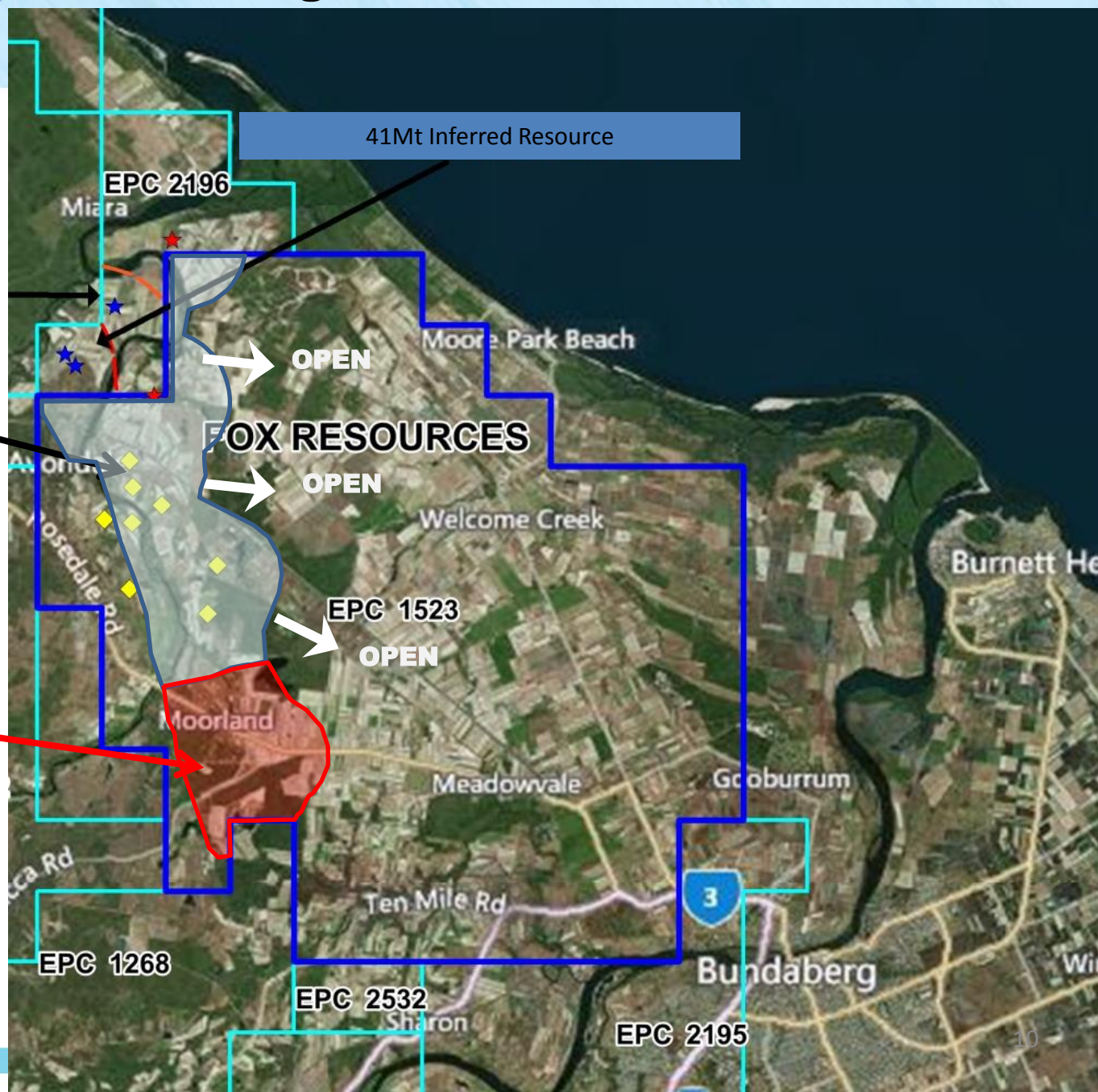
Excellent infrastructure in the area including existing rail and roads



# Bundaberg Resource EPC 1523

**101Mt  
Inferred  
Resource**

**20 – 50Mt  
Exploration  
Target**



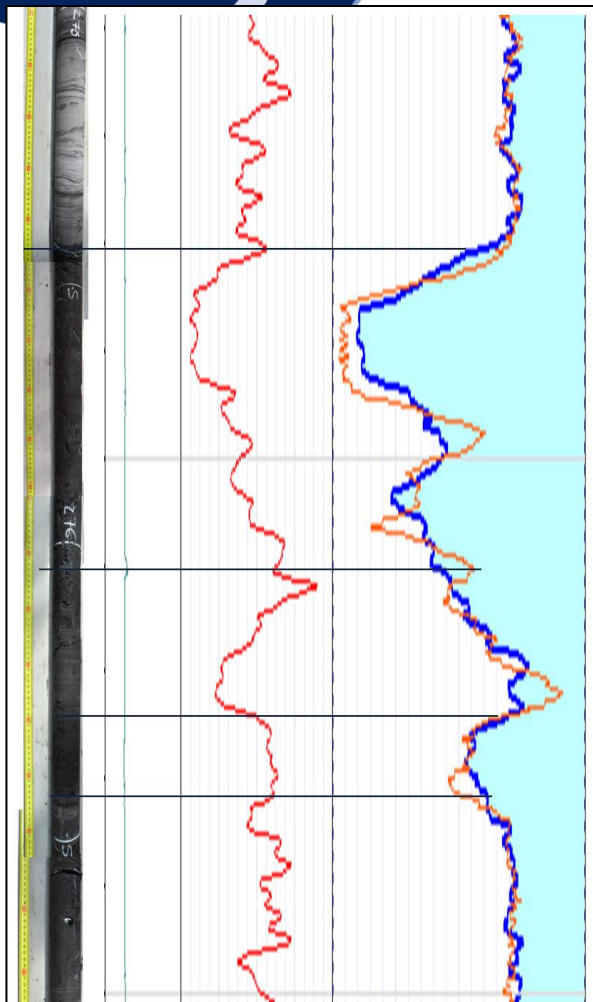
# Bundaberg Drilling Completed

- 7 holes completed, Coal Intersected in 5 holes
- Multiple Coal seams intersected only seams >50cm modelled
- Intersections include

Hole	Width (m)	Depth (m)
Fox 1 <sup>1</sup>	2.45	198
Fox 4 <sup>1</sup>	3.47	74
Fox 6 <sup>1</sup>	2.4	271
Fox 6CQ <sup>2</sup>	1.98	272.65

Notes <sup>1</sup> Coal thickness determined from geophysical logging

<sup>2</sup> Coal thickness determined from core logging



FXRBU006Q Detail of the GL1 seam over the interval 275 -277m





# Coal Exploration – Queensland

15 Granted Exploration Permits & One Application  
In Maryborough, Styx, Bowen,  
Galilee and Eromanga Basins

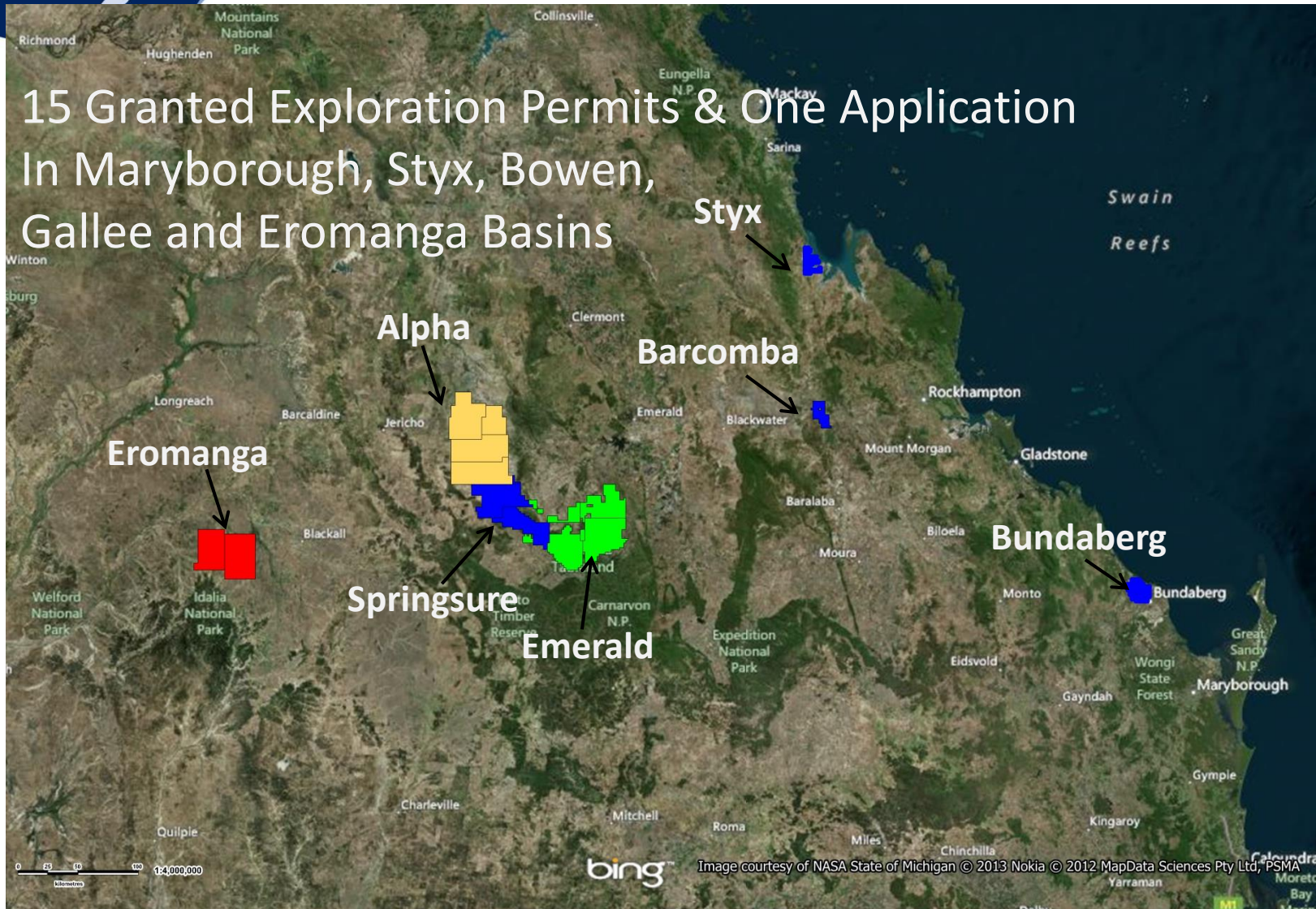
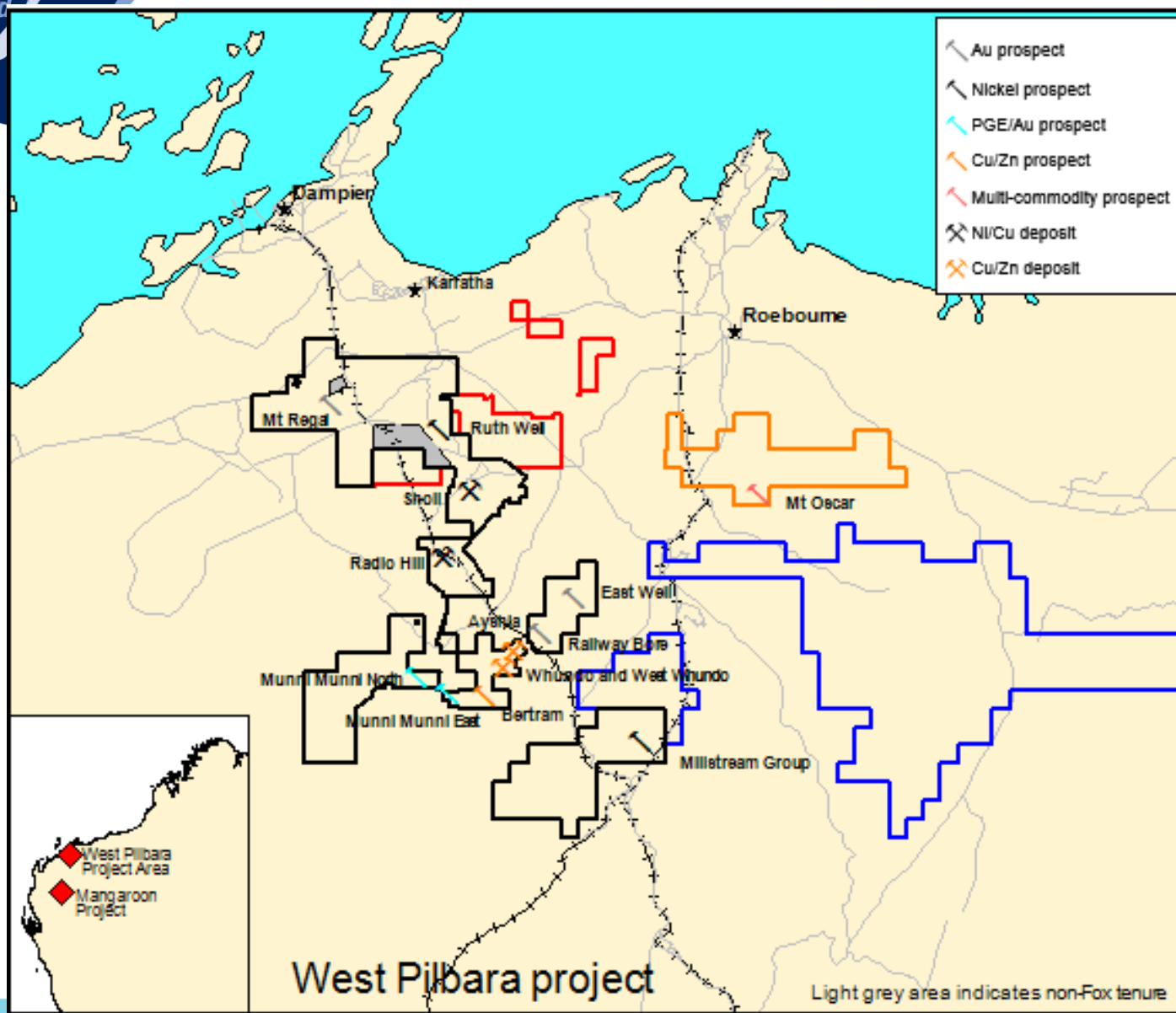


Image courtesy of NASA State of Michigan © 2013 Nokia © 2012 MapData Sciences Pty Ltd, PSMA



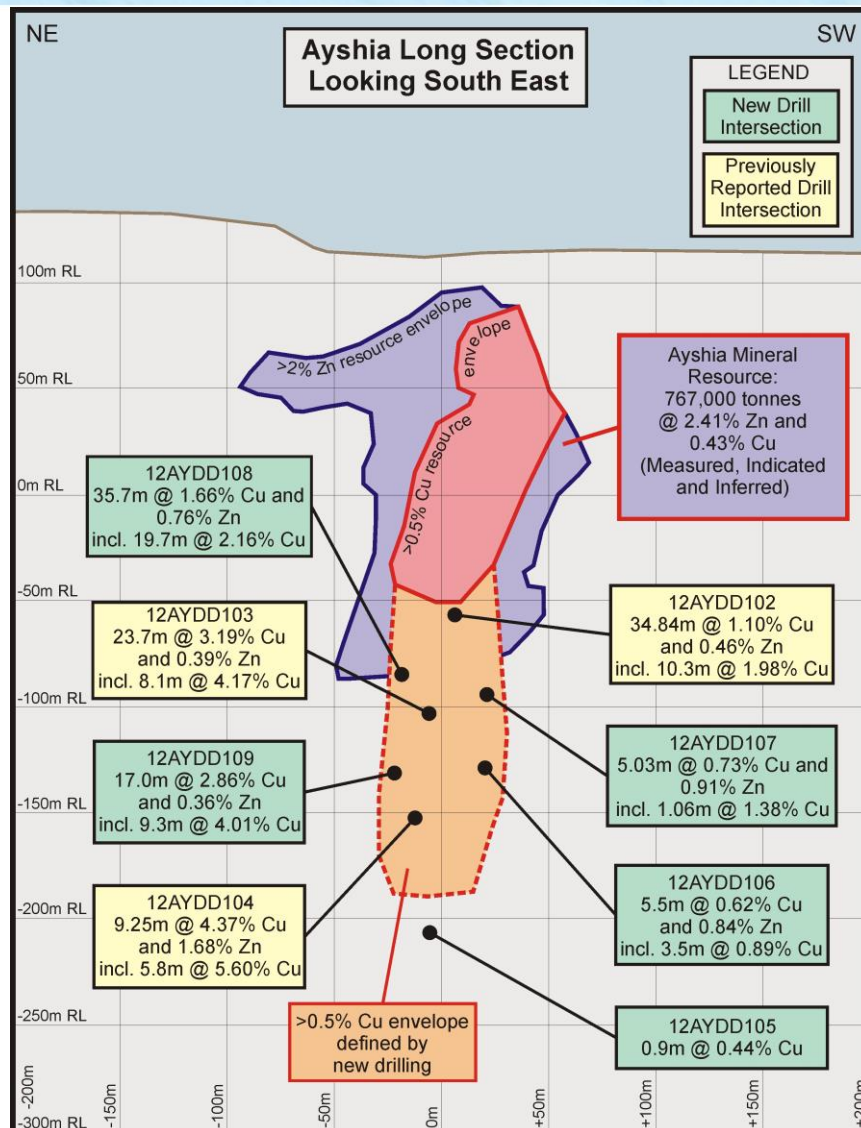
# Western Australian Tenements



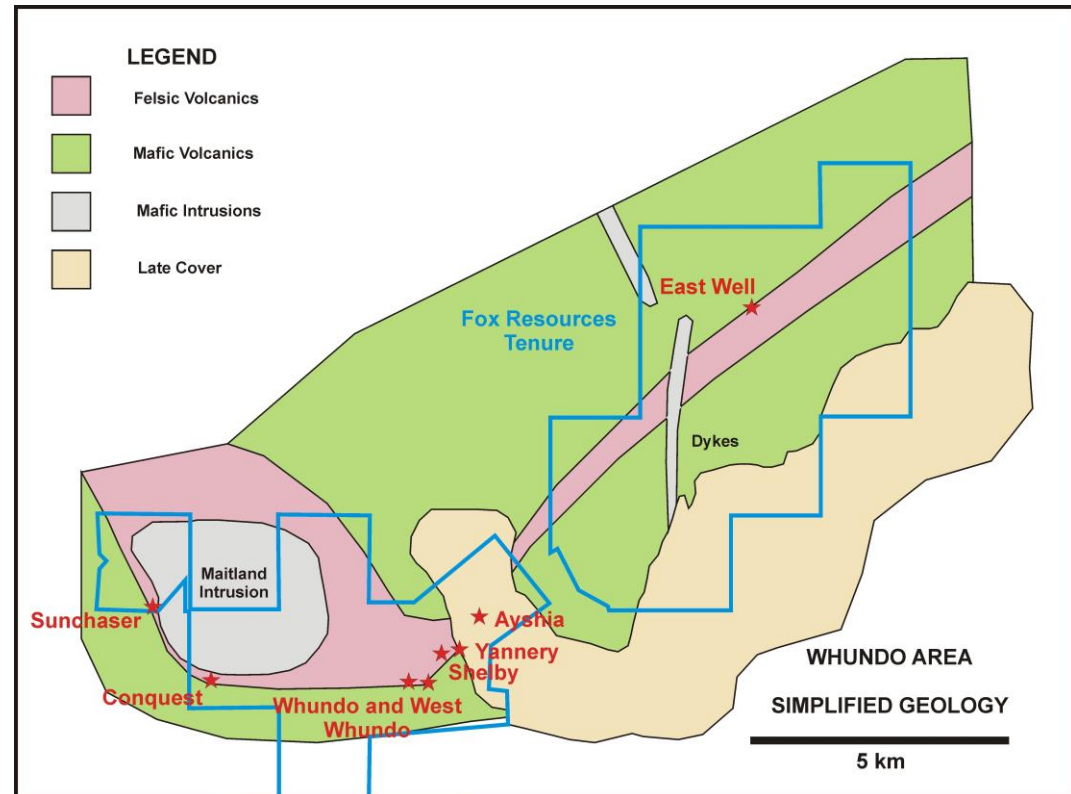
- Targeting High Grade Deposits
  - Nickel & Copper - Intrusive related Massive Sulphide deposits
  - Copper & Zinc - VMS deposits
  - Gold Targets - High grade narrow vein systems
  
- Multiple Prospects from Greenfields through to defined resources

# Copper / Zinc – Ayshia Deposit

- Intersections include:
  - **9.25m @ 4.4% Cu**
  - **23.7m @ 3.2% Cu**
  - **17.0m @ 2.9% Cu**
  - **35.7m @ 1.7% Cu**
- Mineralization open
- Copper – Zinc deposit within the prospective stratigraphy
- **Further Drilling planned**



- Classic VMS setting
- >10 km strike length
- Exploration planned for Ayshia, Austin, Conquest, Sunchaser and East Well
  - Drilling
  - Geophysics
  - Geochemistry
  - Alteration Mapping
  - Mapping
- Resource extensions possible around defined deposits

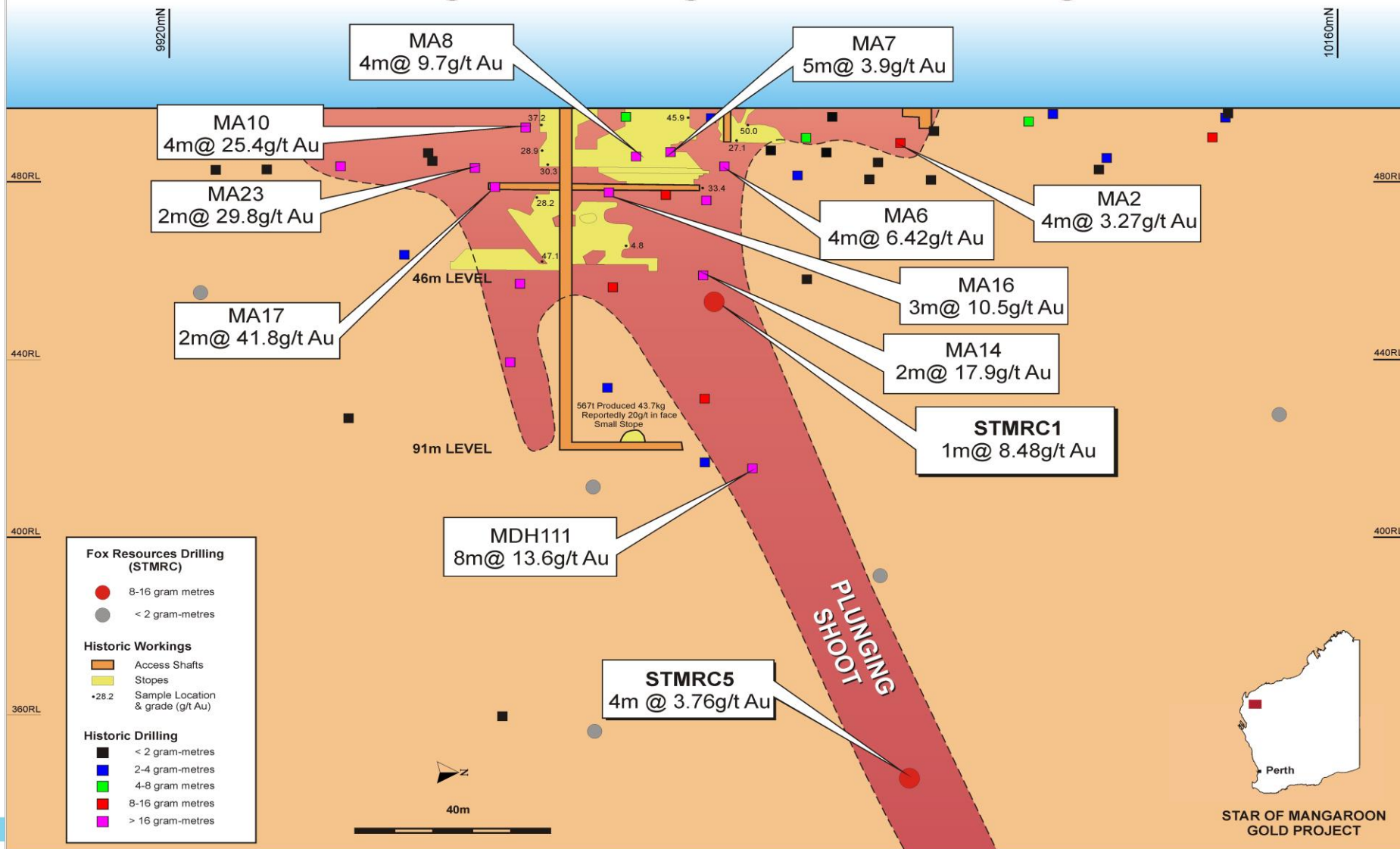




- Consolidate the defined resources at Radio Hill and Sholl
- Large tenement holding with prospective intrusive host rocks
- Two deposit styles
  - High grade intrusive (contact) related massive sulphide mineralization
  - Low grade high tonnage disseminated sulphide mineralization amenable to bacterial heap leaching
- **Evaluation underway of higher grade portions of low grade resource envelopes**
- **Drill Targets include**
  - **Osborne EM anomaly**

- Three main targets
- Historic Star of Mangaroon mine – Gascoyne region
  - A historic narrow high grade vein (>1oz/tonne)
  - Large tenement holding
  - Mineralization is open
- East Well – West Pilbara
  - 2.8km strike length of anomalous gold bearing veins
    - 1m @ 8.4 g/t Au from 21m,
    - Multiple high grade rock chips up to 80g/t.
- Railway Bore – West Pilbara
  - drilling 0.1m intersections up to 50 g/t Au, assessing potential

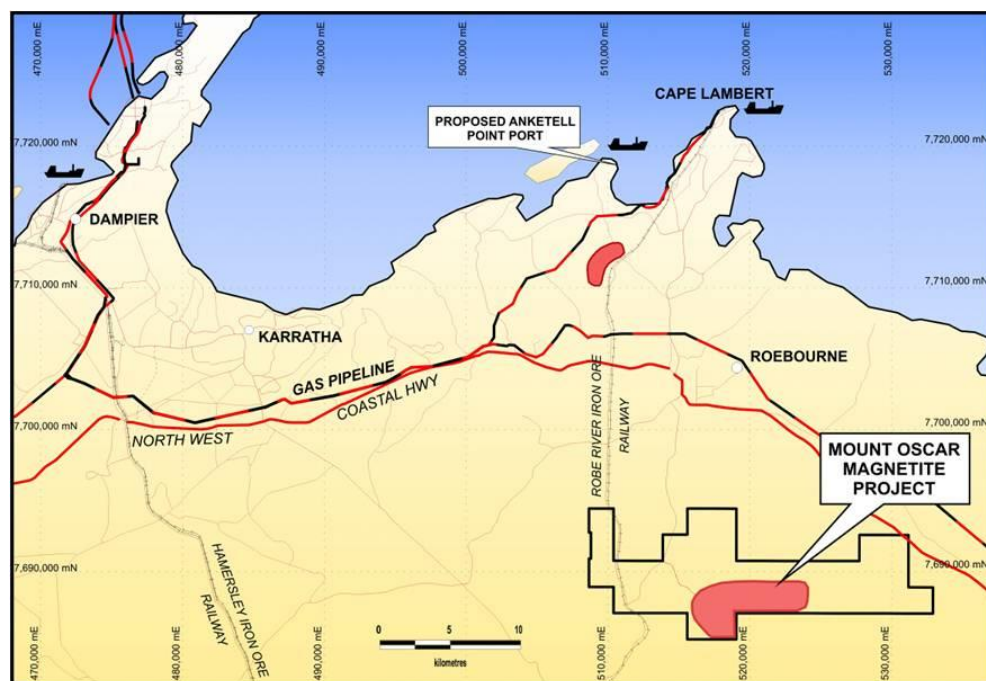
## Star of Mangaroon Long Section - Looking West



# Mt Oscar Joint Venture

- **Magnetic South** to spend \$18m over 10 years to earn 60% interest in all minerals within project tenement
- Fox retains 40% of project

- Magnetite Inferred Resources  
126Mt @ 33.8% Fe
- White Quartz Hill Gold Prospect
- Multiple VTEM anomalies





## **Quarry / Aggregate Agreements**

Sale of two mining lease applications to existing quarrying operators in the Karratha region

Staged payments under these agreements total \$1.2M with an ongoing royalty for any quarried material

## **Radio Hill Accommodation Village**

100% owned and operated by Fox Resources

84 Person accommodation village operated as a commercial accommodation center for external companies operating in the area

## **Radio Hill Processing Plant**

The 450,000 tonne per annum concentrator, able to produce two separate sulphide concentrates along with associated infrastructure, located at Radio Hill, remains on Care and Maintenance

## **Stacker**

An agglomeration and stacking system, located in Northern Queensland, is currently for sale with several parties potentially interested in this equipment

## Summary - Coal

### BUNDABERG PROJECT

- **101Mt** Inferred Resource of Hard High Quality Coking Coal
- **20 – 50Mt** Exploration Target along Strike
- High Quality Coking Coal
  - **Raw Ash < 10%**
  - Raw Calorific Value **>7000Kcal/kg**
  - Coal has a Raw **CSN 8**
  - **Low Sulphur** (highest assay 0.87%)
  - **Excellent Infrastructure – Existing** Rail and Roads
  - **≈ 120km** South of Gladstone
  - **15km** North of Bundaberg

### REGIONAL PROJECTS

- **≈ 10,000km<sup>2</sup>**
- **Highly Prospective Basins**

## Summary – Base Metals & Gold

- High Quality Drill Targets identified
- Existing Base Metal Resources
- Intrusive Nickel – Copper district
- Under explored Classic VMS system
- High Grade Gold systems
- Excellent Infrastructure
- Potential to move rapidly to project development

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