

FOX ACQUIRES ROYALTY ON DE BEERS TENEMENTS

Pilbara-based minerals developer **Fox Resources Limited (Fox) (ASX: FXR)** is pleased to announce it has agreed to acquire the 2% net smelter royalty payable to De Beers Australia Exploration Limited ("DBAE") on tenements the subject of the Access Agreement between Fox and DBAE.

Fox entered into an Access Agreement with DBAE (announced on 24 April 2007) which allows Fox to access, explore and develop discoveries on DBAE's West Pilbara tenements for all minerals including nickel, copper, gold, zinc, iron ore and uranium, but excluding diamonds.

Fox has paid A\$100,000 to effectively extinguish the 2% net smelter royalty payable to DBAE, which applies to 19 tenements covering more than 2,000 km².

Fox Managing Director Bruno Seneque said the company would continue its early exploration across the DBAE tenements, as part of its strategic focus in the highly prospective West Pilbara region.

"This acquisition underpins Fox's commitment to the West Pilbara and with a tenement holding of 3,000 km², Fox is well positioned to make future potential mineral discoveries and unlock further value in this region."

"We are currently focussed on the redevelopment of our nearby Radio Hill asset, however the DBAE tenements offer exciting exploration potential, particularly for base metals and gold," Mr Seneque said.

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About Fox Resources

Fox Resources is a nickel focused metals developer, with a substantial resource footprint in the world-renowned Pilbara region. Fox's Radio Hill project has been producing and shipping nickel and copper concentrate for more than four years. It was placed on care and maintenance during 2008 following adverse movements in nickel prices.

The project offers the advantages of established infrastructure, including a new 84 man village, a 425,000 tonne per annum nickel processing plant, a fully developed underground mine at Radio Hill and concentrate storage facilities at the Port of Dampier, 40km from the Radio Hill Mine. The concentrates produced at Radio Hill are also high value due to their low levels of magnesium oxide and arsenic.

Fox Resources has an off-take arrangement in place with marketing partner Jinchuan Group Limited - China's largest producer of nickel, and a major Fox Resources shareholder. The Company has also the benefit of a highly experienced Board and management team, with particular expertise in the development of major nickel projects.

The Company is also advancing its substantial Mount Oscar magnetite project in the Pilbara, where it has previously announced an initial inferred JORC resource estimate of 72 million tonnes grading 34% Fe (ASX announcement dated 18th March 2009). The company has an exploration target of between 800 million tonnes and 1.2 billion tonnes¹. A recently completed Scoping Study has described the project as positive with great potential for success and has recommended proceeding with Pre-Feasibility studies.

¹ The potential quantity and grade of the untested areas of the Mount Oscar project is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.