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ASX / Media Announcement

HEAP LEACH TESTS DELIVER EXCITING RESULTS

Pilbara-based minerals developer **Fox Resources Limited (ASX: FXR)** is pleased to announce promising results from heap leaching tests undertaken at its Whundo and Radio Hill projects.

The testwork has delivered high grades of nickel and copper recovery from existing oxide and stockpiled material, and confirmed the potential for a successful heap leach operation.

The results include recoveries of 15% nickel and 7% copper following three days of testing via a heap leach simulation column. The material for the heap leach simulation was sourced from Radio Hill and the Whundo projects in the Pilbara.

Fox Managing Director Bruno Seneque said the results were better than expected, and the Company was proceeding with more advanced testwork as a priority.

"This is an exciting development for shareholders, and represents a new approach to the Radio Hill asset," Mr Seneque said.

"It is early days, but the testing to date is certainly encouraging, and supports the development of a low-cost cash generating business opportunity for Fox," Mr Seneque said. Column testing will be continued to determine metal recovery, reagent consumption and general leach kinetics. The pregnant liquor solution (PLS) will be sent to independent metallurgical consultants Ammtec, which will focus on producing a nickel - cobalt mixed hydroxide precipitate (MHP), currently in high demand from Chinese customers.

Mr Seneque said Fox had more than 300,000 tonnes of stockpiled material which could provide the basis for a five year heap leaching operation, utilising existing nickel/copper resources at Radio Hill and at Sholl B2.

"We have a significant volume of mined material that can be incorporated in a heap leach operation, including stockpiles of oxide copper material and copper supergene tailings from West Whundo, both grading approximately 1.5% copper," Mr Seneque said.

"This approach means there are significant cost savings, as there is no requirement to mine or crush ore, and with relatively minimal initial capital expenditure required."

Fox's new metallurgical team is currently investigating the purchase of new equipment to produce high end copper products.

"We believe there is potential to also use heap leach infrastructure to treat known sulphide resources at the Radio Hill and Whundo projects in the future," Mr Seneque said.

The Company recently announced the appointment of a dedicated team to drive the heap leach tests and potential project development. The team is headed by Mr Len Spencer, who has significant knowledge of the Radio Hill asset. Mr Spencer was previously Metallurgy Manager at Radio Hill during the period of ownership by Titan Resources NL.

The Radio Hill flotation plant will remain on care and maintenance ready to be used for any massive/semi-massive nickel/copper sulphide discoveries. Fox is currently continuing exploration programs across Radio Hill and surrounding tenements.

“Our exploration and development strategy for Radio Hill remains in place, and we have a large and prospective landholding which we believe has significant potential for further high grade sulphide discoveries. Nickel exploration specialists Newexco are currently driving the exploration program at Radio Hill and surrounding tenements,” Mr Seneque said.

Heap Leach Testwork – Whundo Copper

Approximately 60,000 tonnes of oxide material grading 1.5% copper is stockpiled on surface at the Whundo site as a result of previous mining operations by Fox.

Column testing is under way and the liquor produced will also be processed in a highly concentrated solution using copper resin technology. This resin technology will then facilitate the production of a high grade saleable copper product such as copper sulphate or copper cement. It is anticipated that this test work should be completed in three months from commencement.

Fox geologists have commenced a review of the resource models at Whundo and West Whundo to determine the quantity of additional copper oxide material that can be mined for such heap leaching operations. The installed heap leaching infrastructure would also facilitate the future heap leaching of considerable copper and zinc sulphide resources known to exist below existing pit levels.

Heap Leach Testwork – Radio Hill Nickel/Copper/Cobalt

At Radio Hill approximately 250,000 tonnes of stockpiled material is available in the form of scats (mill rejects), oxidised massive and semi-massive Run of Mine (ROM) material and copper supergene tailings from West Whundo copper supergene processing.

Column testing is under way. Resin technology will also be used to produce high tenor liquor which can then be converted to a nickel/cobalt mixed hydroxide precipitate (MHP) which is a post-smelting product. Nickel/Cobalt MHP can attract a premium to conventional sulphide concentrates as MHP's are introduced into the refining process thereby by-passing the smelting process. A high copper concentrated liquor will also be produced from this material, which can be run through electro-winning cells to produce copper cathode. The commissioned testwork will determine what end product Fox will produce.

Disseminated ore from Fox's Sholl deposit has been previously heap leached by Titan Resources NL as part of a large field based, pilot scale operation with a 5,000 tonne heap and another 8,000 tonne heap. Irrigation of the initial 5,000 tonne heap commenced in May 2000 and by October 2000, nickel recovery into solution reached 74%. It is anticipated that the column testing will take up to 12 months to complete however satisfactory results may be achieved much earlier as demonstrated from Titan's pilot operation.

Figure 1. Samples of copper and nickel in solution, from column testing.



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 recently delivered an initial inferred JORC resource estimate of 72 million tonnes grading 34% iron and is aiming for a one billion tonne target.

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