

## OPERATIONAL UPDATE

- Down-hole EM programme completed; next phase due to finish before end of May
- Mt Oscar iron ore project work program commenced with VM Drilling contracted
- Fox continues to develop downstream processes for the heap leaching operation

**Fox Resources Limited** (ASX: FXR) today provided the following operational updates on the Company's heap leaching process and exploration activities.

The Company has a strong pipeline of growth opportunities, both at Radio Hill and the various exploration tenements, where the Company continues to progress exploration activities.

The Board of Fox Resources is committed to maximising value for its shareholders. The Company acknowledges that engaging with the market on a regular basis plays an important role in this.

### Exploration

Ground electromagnetic (EM) surveying is in progress, which is focused on delineating bedrock conductors related to base metal sulphide targets that warrant drill testing.

The down-hole EM programmes at the Whundo, West Whundo and Ayshia Cu-Zn deposits have been completed, and the data is currently being processed and interpreted.

Following the completion of the down-hole EM programme, a series of moving-loop EM surveys have commenced at Sholl and Bertram. These surveys are designed to assess exploration targets for both Ni-Cu and Cu-Zn mineralisation. This work is ongoing and will be completed within next week.

### Mount Oscar

Fox Resources, in conjunction with its joint venture partner, Magnetic South Pty Ltd, has contracted VM Drilling to undertake the first JV exploratory drilling program at the Mount Oscar Project under the agreement whereby \$20 million is to be spent on exploration by Magnetic South over the next 5 years. This is anticipated to begin in June, subject to regulatory approval and preparatory earthworks. The drilling is designed to test along strike extensions of the previously defined ore body, and regional magnetic anomalies. The Company is excited about the JV and looks forward to more positive results in the near future.

### Heap Leach Project Development Strategy

Based on recent analysis of Fox's testwork, the Company has a variety of positive developments in the metallurgical treatment of the heap leach process solutions.

The initial processing of the Radio Hill bio-leach solutions has changed from precipitation of a carbonate product post heap leaching to sulphidisation of the solutions to produce both copper sulphide and nickel sulphide concentrate for sale to offtake partners. This change in approach:

- minimises the impact of variable metal in solution early in the life of the heap leach
- minimises the impact of high ferrous levels early in the leach cycle
- minimises the total project CAPEX and OPEX; and
- produces a sulphide concentrate which is a more desired product for offtake customers.

An independent sulphidisation testwork program at bench scale is being conducted by SGS Australia Pty Ltd (SGS) laboratory in Perth to provide preliminary data for design of the downstream processing plant. The sulphidisation testwork has so far returned favourable outcomes in terms of metal recoveries from solution. The Australian Laboratory Services Pty Ltd (ALS) laboratory in Tasmania has recently achieved a process breakthrough to precipitate ferric iron from Fox Radio Hill Pregnant Liquor Solution (PLS) with minimal copper losses at low temperatures. Fox has commissioned Bateman Engineering to initially develop the process design and generate cost estimates, which will flow through to a plant detailed design package.

Project engineering has been initiated in the crushing, stacking and infrastructure areas while Amec Minproc, an engineering firm, has been commissioned to carry out detailed engineering designs for the heap leach pad, ponds and acid tanks. A revised Scoping Study on the sulphide concentrate will be presented to the Board of Fox Resources in mid July, which will detail the processing route, products, specifications of the products and capital and operating costs of this process route. The Board will then make a decision on construction start dates and the timing of project funding.

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**For further information, please contact:**

**Laurie Chew**

Interim Chief Executive Officer  
Fox Resources Ltd  
+61 (0)8 9318 5600

**Ann M Nahajski**

Director  
AMN Corporate  
+61 (0)400 205 433  
ann@amncorporate.com

**About Fox Resources**

**Fox Resources** (ASX: FXR, Fox) is a base metals development company with a substantial land holding in the Pilbara of Western Australia and established relationships with China.

Fox's operating strategy is to capitalise on existing stockpiled material (300,000+ tonnes), to establish a nine-year heap leaching operation. Part of this strategy is defining further base metal resources to incorporate into future heap leach operations.