

FOX RESOURCES LTD

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Projects:

Radio Hill
Nickel – copper

Sholl
Nickel – copper

Ayshia
Copper – zinc

Mt Oscar
JV Iron ore

Mangaroon
Gold

Down Hole and Surface Electromagnetic Surveys in Progress at Yannery

Highlights:

- **Best results from the 2006 drilling programme at Yannery included:**
 - 10m @ 2.05% Cu from 40m, including 3m @ 6.10% Cu in hole YNRC004
 - 5m @ 6.74% Cu from 40m in hole YNRC007
- **Downhole EM in progress on holes YNRC008 and YNRC009**
- **\$1.87m Mount Oscar drilling programme planned to commence early January 2013**
- **Ayshia drilling programme scheduled for early 2013**

Yannery Exploration Programme

Fox Resources Limited (ASX: FXR) is pleased to announce that it is undertaking electromagnetic surveying at the 100% FXR Yannery prospect.

During 2006, Fox conducted a RC drilling programme at Yannery, a copper prospect on the Whundo-Ayshia mineralised trend (Figure 1). The results reported from this drilling were:

Hole ID	From	To	Intersection
YNRC003	69	90	21m @ 0.99% Cu
YNRC004	40	50	10m @ 2.05% Cu, including 3m @ 6.10% Cu
YNRC005	43	44	1m @ 3.16% Cu
YNRC006	32	33	1m @ 0.84% Cu
YNRC007	40	45	5m @ 6.74% Cu
YNRC008	61	80	19m @ 1.21% Cu (DHEM in progress)
YNRC009	79	99	20m @ 0.81% Cu (DHEM in progress)

Table 1: Yannery historic drill results

With renewed interest in the Whundo VMS district, Fox is now undertaking a DHEM survey using drill holes YNRC008 and YNRC009, which both intersected Cu mineralisation. A fixed-loop electromagnetic (FLEM) surface survey will be conducted in conjunction with the DHEM. These electromagnetic surveys will refine the known Yannery geophysical model with the objective of defining further drill targets at Yannery.

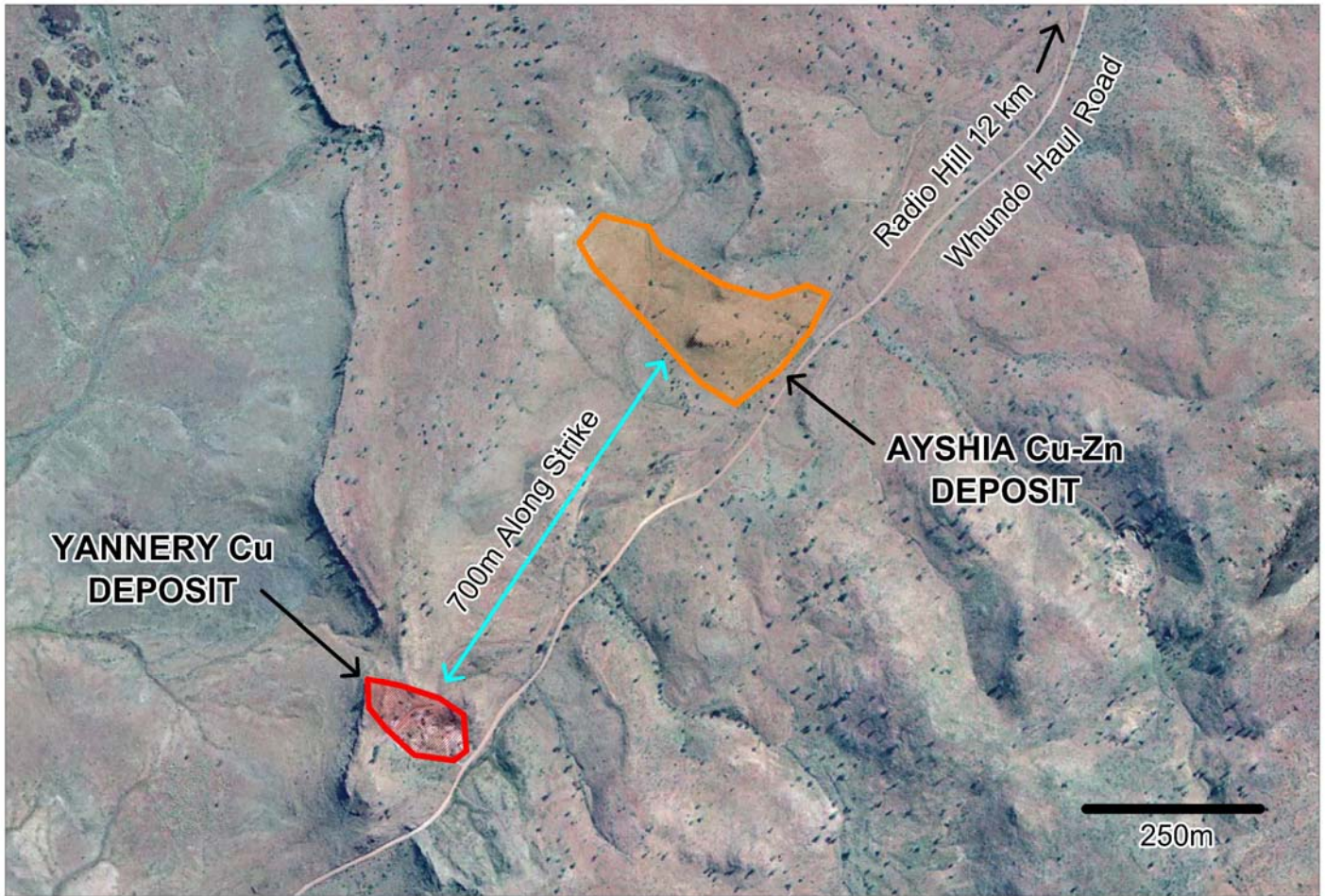


Figure 1: The position of the Yannery Deposit, approximately 700m along strike from the Ayshia Deposit.

Mount Oscar Drilling Programme

A \$1.87m RC drilling programme is scheduled to commence at the Mount Oscar Magnetite Project in early January 2013.

As previously advised, the drilling programme will include gold exploration at White Quartz Hill in addition to the Mount Oscar Magnetite Project. The entire programme will take approximately six weeks to complete.

Fox Resources CEO, Bruce Garlick, noted that the drill programme is fully funded by the Mount Oscar Joint Venture partner. This drilling is a first past test of magnetic Anomalies 3, 4 and 5, which are yet to be drill tested (Figure 2).

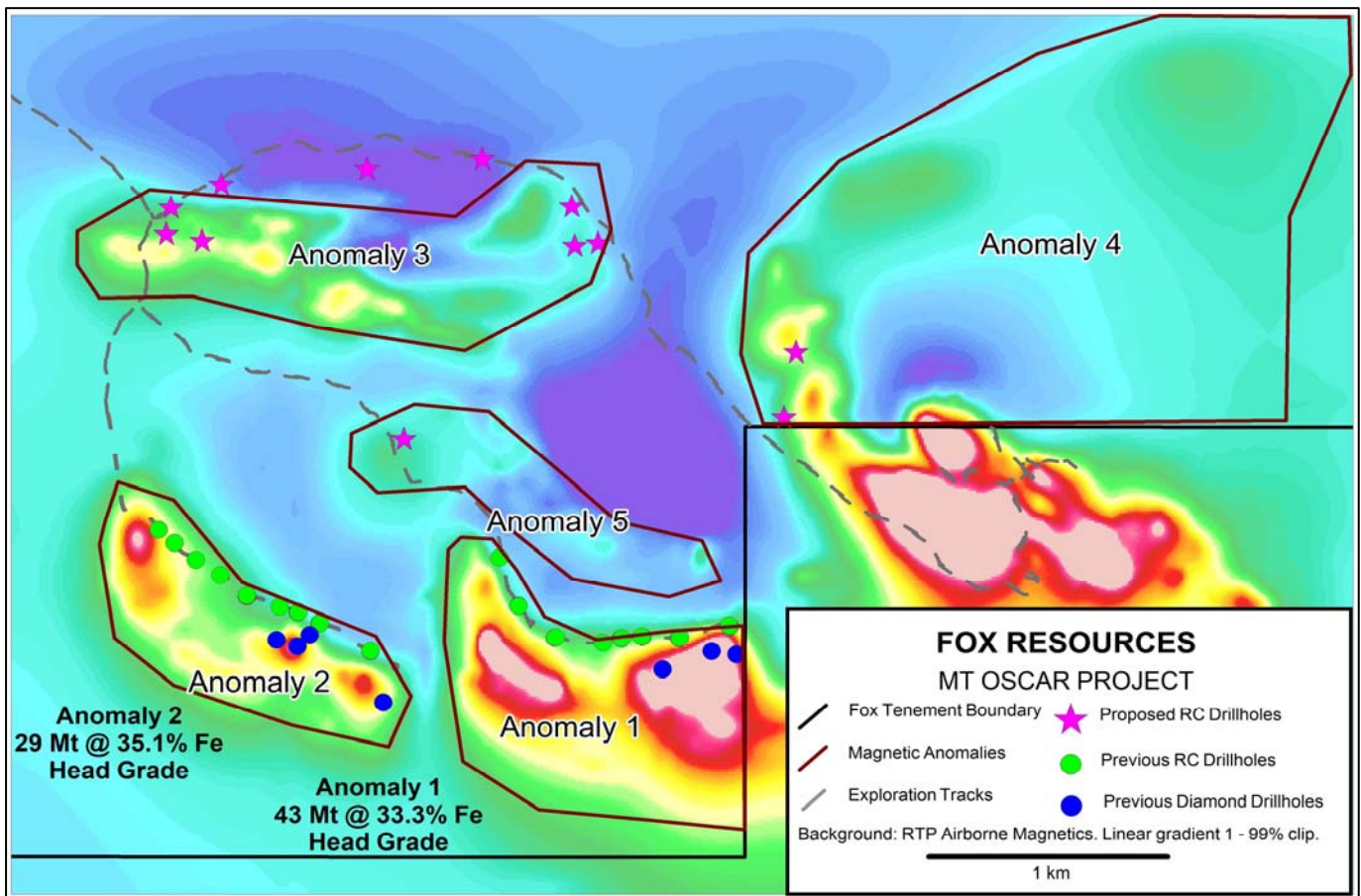


Figure 2: Planned drilling at the Mt Oscar Magnetite Project

Ayshia Exploration Programme 2013

During 2012, Fox completed eight diamond drill holes at Ayshia for a total of 2,511.3m. All of these holes have been geologically logged and sampled and subject to down hole electromagnetic (DHEM) surveys. Interpretation of this broad dataset has resulted in a 3-D model of the deposit, and has assisted in mapping the distribution and zonation of sulphide mineralisation.

The present drilling suggests that the mineralisation pinches down-plunge but is currently open to the north-east. Additional drilling is warranted to test the extent of the copper-rich mineralisation, which is unconstrained to the north-east.

A programme of diamond drilling, consisting of 3 holes for 1,100m is proposed (Figure 3), and is scheduled to commence in early 2013.

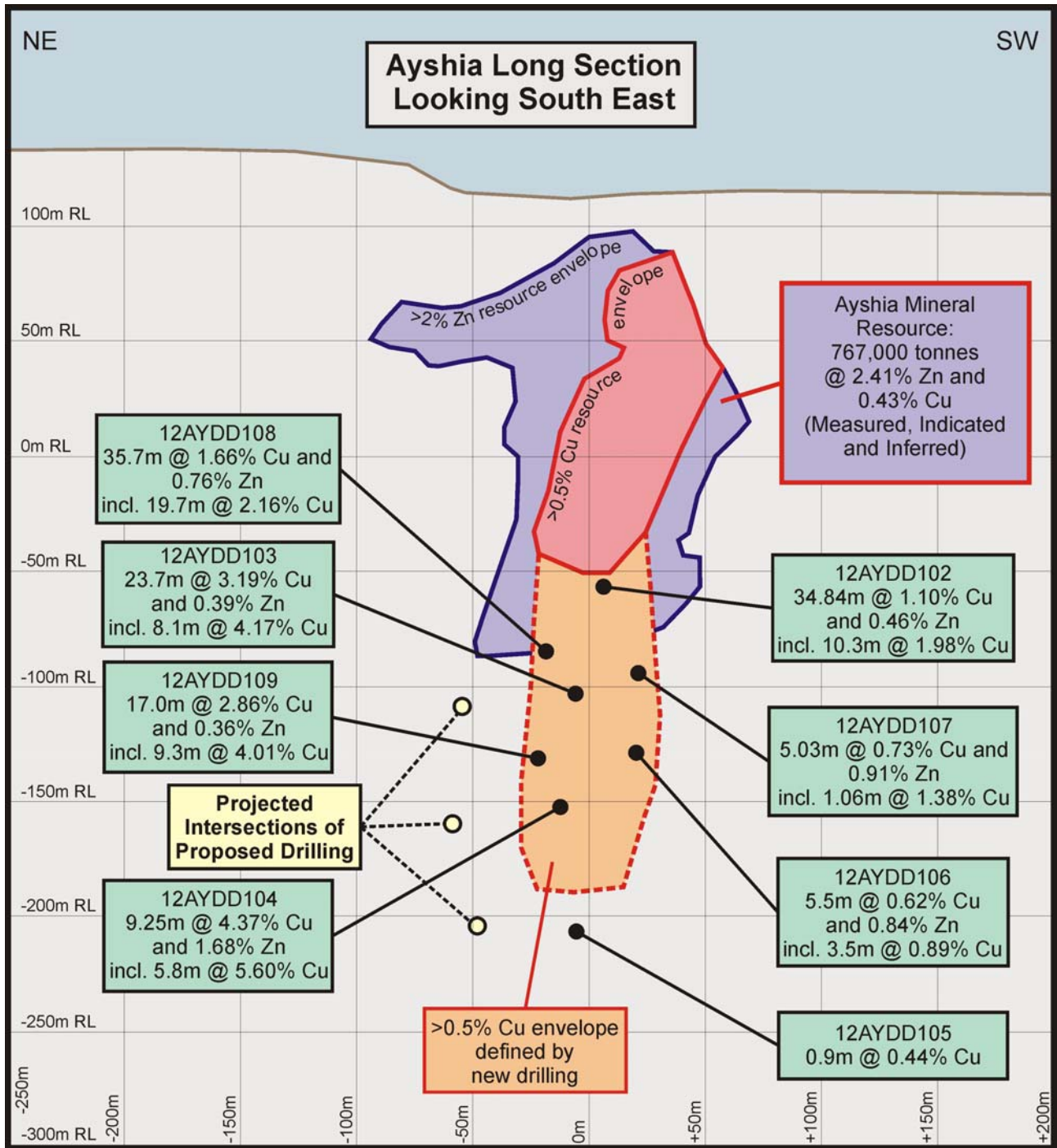


Figure 3: Ayshia long-section

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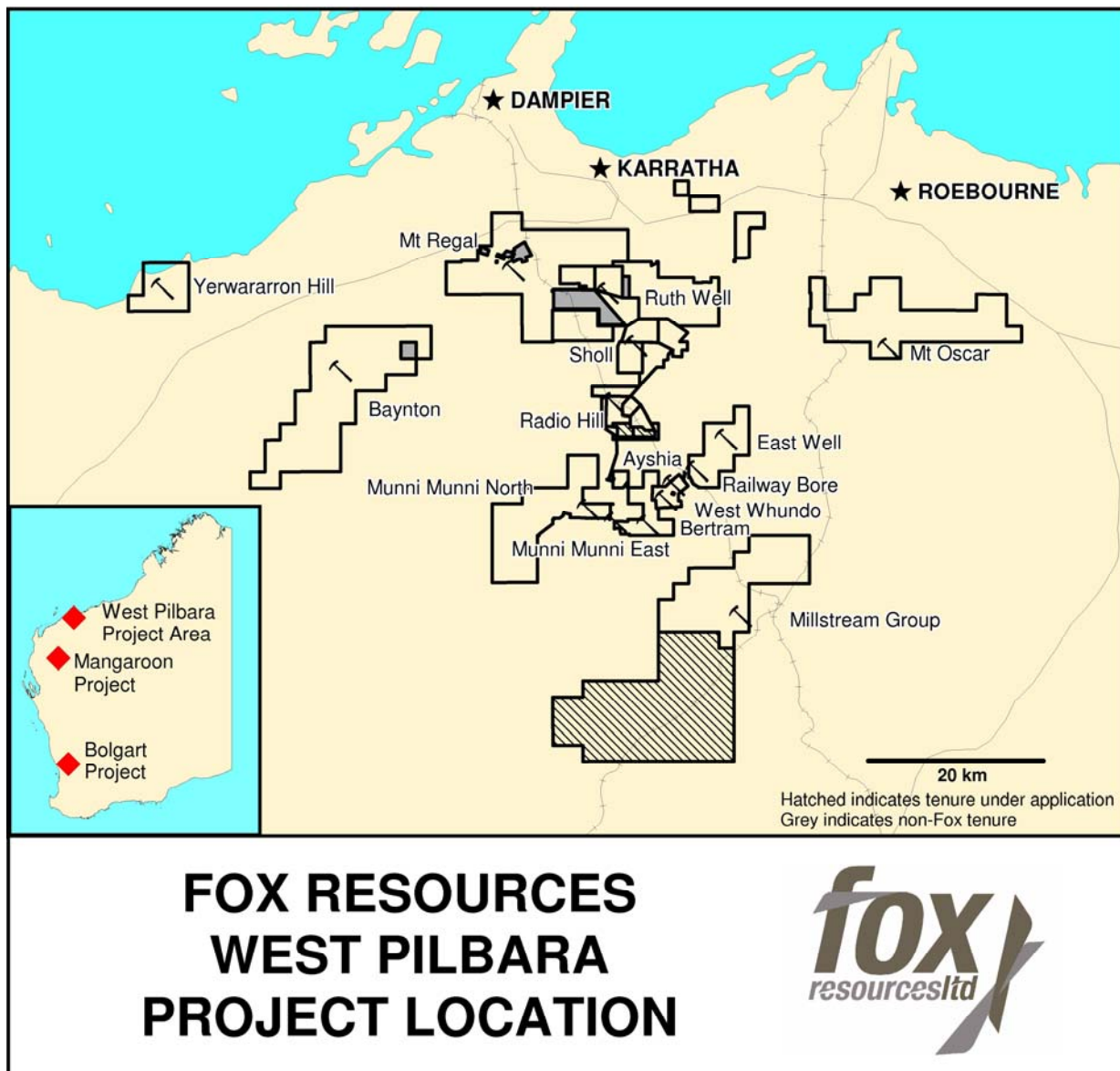


Figure 4: Fox tenement location map

About Fox Resources

Fox Resources (ASX: FXR, Fox) is an exploration company with a substantial land-holding in the Pilbara region of Western Australia.

Fox's exploration programme also covers a number of prospective base metal and gold targets, a magnetite project at Mt Oscar, located 25km south of the port at Cape Lambert which is a Joint Venture with Magnetic South Pty Ltd, and the Radio Hill, Sholl and Ayshia deposits.

Fox Resources also has an option over 16 granted coal exploration tenements (EPC's) and a single EPC application held by Currawong Coal Pty Ltd a joint venture of Cliff's Natural Resources Pty Ltd, Conarco Minerals Pty Ltd, and XLX Pty Ltd.

Competent Persons Statement:

The information within this announcement as it relates to mineral exploration results and geophysics for the Ayshia and Yannery deposits is based on information compiled by Fox Resources Ltd and William Amann and Adrian Black of Newexco Services Pty Ltd. William Amann and Adrian Black are members of the Australian Institute of Geoscientists and have sufficient experience, which is relevant to this style of mineralisation and deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". William Amann and Adrian Black consent to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.

Information within this announcement that relates to Mineral Resources is based on information compiled by Mr Jeremy Peters, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Peters is a full-time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Peters 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Peters consents to the inclusion in the document of the matters based on his information in the form and context in which it appears.

The information within this announcement as it relates to exploration activities on the Company's projects is based on information compiled by Kelvin Fox who is a member of the Australasian Institute of Mining and Metallurgy. Mr Fox 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fox has consented to the inclusion in this announcement of the information on the Mt Oscar Iron Ore Project in the form and context represented above.

The information within this announcement as it relates to Ore Reserve calculation at Mt Oscar is based on information compiled by Mr Alan Miller, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Miller is a consultant working for Golder Associates Pty Ltd. Mr Miller 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code).

AYSHIA RESOURCE STATEMENT

Deposit	Mineralisation	Classification	Tonnes	Zn %	Cu %
Ayshia	Primary Sulphide	Measured	150,000	2.4	0.5
Ayshia	Primary Sulphide	Indicated	344,000	3.3	0.5
Ayshia	Primary Sulphide	Inferred	273,000	1.3	0.3
Total			767,000	2.41	0.43

2006 estimate (RSG Global) Cutoff grade 0.4% Zn. Resource does not include recent holes 12AYDD102 – 109.

MT OSCAR MAGNETITE PROJECT INFERRED RESOURCE STATEMENT

Domain	Million Tonnes	Head Fe (%)	Mass Recovery (%)	Conc Fe (%)	Conc SiO2 (%)	Conc Al2O3 (%)	Conc P (%)	Conc S (%)	Conc LOI (%)
Anomaly 1	43.4	33.3	36.1	58.8	14.2	0.80	0.04	0.03	-0.33
Anomaly 2	29.0	35.1	30.4	61.1	12.2	0.50	0.03	0.04	-0.51
Total	72.4	34.0	33.8	59.7	13.4	0.68	0.03	0.04	-0.40

2009 estimate (Golders) Inferred Mineral Resource at Fe cut-off grade of 20%