



10 Abbotsford Street, West Leederville, Western Australia 6007
PO Box 480, South Perth Western Australia 6892
Tel: 61 8 9318 5600 Fax: 61 8 9238 1380
Web: www.foxresources.com.au Email: fxr@foxresources.com.au

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Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

- **CONDITIONAL FULLY UNDERWRITTEN ENTITLEMENT ISSUE TO RAISE UP TO \$4.224 MILLION**
- **SHAREHOLDER APPROVAL TO BE SOUGHT TO SECURE LOANS TO JUNGLE CREEK**

Fox Resources Limited (ASX FXR) (**Company**) is pleased to announce a conditional fully underwritten non-renounceable entitlement offer on the basis of 1 new share for every 2 shares held on the record date at an issue price of \$0.015 per new share (**Offer**) with 1 free attaching \$0.04 two year option for every new share subscribed for. The Offer will raise approximately \$4.224 million, with funds used to repay debt and for working capital.

Jungle Creek Gold Mines Pty Ltd (**Jungle Creek**), an entity controlled by the Company's Chairman, Mr Terry Streeter, has, subject to shareholder approval, agreed to underwrite the Offer for up to 230,194,837 new shares or approximately \$3,452,923, with its underwriting commitment to be set off against debts owed by the Company to Jungle Creek (see below for details). Certain other creditors have agreed to underwrite the balance of the Offer, with most of their underwriting obligations also to be set off against a total of \$663,983 in debts owed to them. Underwriting commitments of \$107,500 will be met in cash.

Mr Streeter currently holds 16.56% of the Company's shares. As a result of underwriting the Offer, Jungle Creek may acquire up to a maximum of 38.29% of the Company prior to the exercise of any options. Shareholder approval will be sought for the underwriting in accordance with section 611 (item 7) of the *Corporations Act* at a shareholder meeting to be held in June 2014 (**EGM**).

The Company is indebted to Jungle Creek for approximately \$7,059,159.34¹ under various loans advanced by Jungle Creek. Under the terms of the loans, Jungle Creek may request that 50% of the balance of these loans be secured over the Company's assets (subject to shareholder approval). Jungle Creek has requested security over the Company's assets, and shareholder approval will be sought for the security at the forthcoming EGM. Subject to shareholders approving the underwriting and security, Jungle Creek has agreed to extend the due date of repayment of the balance of the debt from September 2014 for a further 12 months.

Mr Paul Dunbar, the Company's Managing Director said "Jungle Creek's support is allowing the Company to advance its projects and has resulted in the Company's maiden 101mt Inferred Coking Coal Resource announcement for Bundaberg coal project (ASX announcement 20 March 2014²). The Offer will allow eligible

¹ As at 31 March 2014. The Company is also indebted to Mr Streeter for \$409,032 for unpaid director's fees.

² The Company is not aware of any new information or data that materially affects the information previously announced, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not been materially changed.

shareholders to participate in a capital raising at the same price which Jungle Creek's debt will be converted to equity, and avoid dilution. The issue price under the Offer is a discount to what the Company's directors to be the true value of the Company's shares."

A pro forma balance sheet showing the effect of the Offer and debt repayment/conversion is attached to this announcement. A prospectus for the Offer will be lodged with ASIC shortly and will be available, along with the notice of meeting for the proposed EGM, on the ASX website and the Company's website, and will be sent to eligible shareholders shortly after the record date.

The Company's independent directors have retained BDO Corporate Finance to provide an independent expert's report on the proposed security to be provided to Jungle Creek.

Shareholders who wish to acquire new shares and attaching options under the Offer will need to read the prospectus carefully and complete the personalised entitlement and acceptance form which will accompany the prospectus.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Trish Farr', enclosed within a circular scribble.

Trish Farr
Company Secretary.

Pro-Forma Balance Sheet After Capital Raising
As at 31 March 2014 (unaudited)

	31 March 2014	Changes Due To Capital Raising	After Capital Raising	
	\$	\$	\$	
CURRENT ASSETS				
Cash and cash equivalents	37,452	377,000	414,452	*
Trade and other receivables	145,721		145,721	
Prepayments	-	25,485	25,485	**
Inventories	-		-	
Other financial assets	78,503		78,503	
TOTAL CURRENT ASSETS	261,676	402,485	664,161	
NON-CURRENT ASSETS				
Property, plant and equipment	1,777,117		1,777,117	
Exploration and evaluation expenditure	21,208,509		21,208,509	
Other financial assets	80,000		80,000	
TOTAL NON-CURRENT ASSETS	23,065,626	-	23,065,626	
TOTAL ASSETS	23,327,302	402,485	23,729,787	
CURRENT LIABILITIES				
Trade and other payables	2,853,497	(433,498)	2,419,999	
Interest bearing liabilities	7,677,997	(7,184,158)	493,839	****
Provisions	27,892		27,892	
TOTAL CURRENT LIABILITIES	10,559,386	(7,617,656)	2,941,730	
NON CURRENT LIABILITIES				
Interest bearing liabilities	264,851	3,856,236	4,121,087	***
Derivative Liability	46,694		46,694	
Provisions	3,783,506		3,783,506	
TOTAL NON CURRENT LIABILITIES	4,095,051	3,856,236	7,951,287	
TOTAL LIABILITIES	14,654,437	(3,761,420)	10,893,017	
NET ASSETS	8,672,865	4,163,905	12,836,770	
EQUITY				
Issued capital	121,764,472	4,163,905	125,928,377	
Reserves	132,330		132,330	
Accumulated losses	(113,223,937)		(113,223,937)	
TOTAL EQUITY	8,672,865	4,163,905	12,836,770	

*Includes a \$250,000 loan from Jungle Creek Gold Mines and \$80,000 short term loan from other underwriters received in April 2014. Assumes offer costs of \$60,500.

** Relates to a prepayment of Director fees to Garry East from 1 April 2014 to 30 June 2014.

*** Includes the \$250,000 loan from Jungle Creek Gold Mines in April 2014.

**** Includes transfer of Jungle Creek Gold Mines loan from current to non-current.