

HIGHLIGHTS

Quarterly

Activities Report

For the period ended
30 June 2014

FOX RESOURCES LTD

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Projects:

Radio Hill
Nickel – Copper

Sholl
Nickel – Copper

Ayshia
Copper – Zinc

Mt Oscar JV
Iron Ore, Gold, Base Metals

Pilbara Minerals JV
Base Metals

Queensland
Coking and Thermal Coal

Mangaroon
Gold

QUEENSLAND

BUNDABERG COKING COAL PROJECT

- **101Mt Inferred Coking Coal Resource estimated at the Bundaberg Coking Coal project.**
- Significant Strike Extension identified.
- **Further exploration work being planned to increase the resource in both confidence and size.**
- **Conceptual Studies to focus further work underway**

WESTERN AUSTRALIA

- Multiple high priority targets identified within all Projects
- High Priority EM target Drill ready
- Target identification and evaluation ongoing on all tenements.

CORPORATE

- Early in the quarter the funding agreement with the Australian Special Opportunities Fund, LP was terminated.
- A General Meeting was held during the Quarter and approved an underwriting of an Entitlement Offer and the security over the Queensland Coal assets in accordance with the loan agreements by Jungle Creek Gold Mines.
- A fully underwritten Entitlements offer was completed with funds used to strengthen the Balance Sheet, debt reduction and for working capital.
- Mr David Peterson replaced Mrs Trish Farr as the Company Secretary.

Fox Resources is an exploration company with substantial exploration interests in central Queensland and the Pilbara region of Western Australia.

The Company's exploration efforts are focused on a number of prospective coal tenements in Queensland along with base metal and gold targets in Western Australia including the advanced Radio Hill, Sholl Nickel deposits, the Whundo and Ayshia base metal deposits and a magnetite project at Mt Oscar through a Joint Venture with Magnetic South Pty Ltd.

QUEENSLAND COAL PROJECTS

Fox Resources owns a tenement package consisting of 16 granted exploration permits for coal (EPC's) and one EPC application covering approximately 10,000 km² within major coal bearing basins of Queensland. These tenements are highly prospective for coking and / or thermal coal (Figure 1 and Table 1).

Exploration within the Bundaberg tenement, considered to have the highest potential for coking coal, commenced in December 2013.

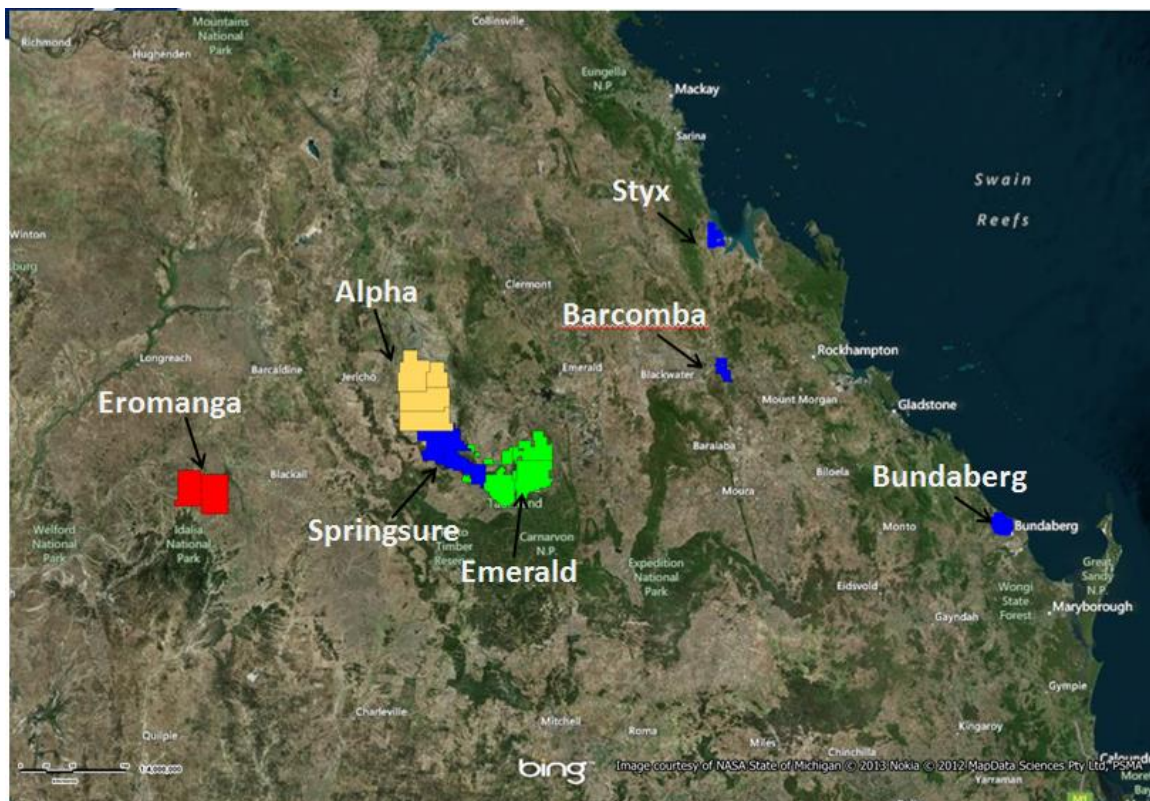


Figure 1: Queensland Coal projects

Table 1: Details the Queensland Coal Projects as shown in Figure 1 (above).

Project Name	EPC's	Basin	Target Formations
Bundaberg	1523	Maryborough	Burrum Coal Measures, Maryborough Formation
Styx North	1554	Styx	Styx Coal Measures, Carmilla Beds
Springsure West	1303, 1304, 1307, 1310, 1476	Galilee	Bandanna Formation, Colinlea Sandstone
Emerald South-west	1519, 1520	Bowen, Galilee	Bandanna Formation, Mantuan Formation, Freitag Formation, Aldebaran Sandstone, Reids Dome Beds
East Alpha	1306, 1308, 1311, 1312, 1469	Galilee	Colinlea Sandstone, Joe Joe Group, Aramac Coal Measures
West Blackall	1305, 1309	Eromanga	Winton Formation, Mackunda Formation
Balcooma	1473 Application	Bowen	Back Creek Group

Bundaberg Coking Coal Project, Maryborough Basin

The highest priority coal Project is the Bundaberg Coking Coal Project (EPC1523) located in the Maryborough basin, immediately to the north of the regional town of Bundaberg.

Exploration commenced on the Bundaberg Coking Coal Project in December 2013 with drilling continuing in the March quarter. A total of seven holes were completed on EPC1523 (Table 3). Coal intersections have been reported in five of the seven holes with the other two holes intersecting the coal measures in weathered rock or stratigraphy immediately below the target coal measures.

An Inferred Coking Coal Resource of 101.2Mt, as detailed in table 2 below, has been estimated for EPC 1523 (ASX release 20 March 2014). This Resource is based on the recent drilling conducted by Fox Resources together with historic drilling within EPC1523 and drilling on the adjacent tenement. The Resource has been estimated in accordance with the 2012 JORC Code (2012) and the draft 2014 Coal guidelines with all information outlined in Appendix 2 of the ASX release.

In addition to the Inferred Coal Resource an Exploration Target of 20 to 50Mt at a calorific value of 3000 to 6750Kcal/kg, a CSN of 6-8 and up to 19% Ash & 24% volatiles has been identified (ASX release 1 April 2014). It is important to note that this Exploration Target is conceptual in nature, there has been insufficient exploration to date

to enable a resource to be estimated and it is uncertain if future exploration would result in a resource being estimated.

The location of the Inferred Resource along with the Exploration Target is shown in Figure 2, below. The main part of the Inferred Resource is 20km to the North of the regional center of Bundaberg.

The 101.2Mt Inferred Resource within Fox Resources' 100% owned EPC1523 is in addition to the Inferred Resource of 41Mt within EPC2196 which is owned by International Coal Limited (75%) and Queensland Coal Investments (25%) (ASX release 2 April 2014).

Coal was also intersected in Fox 3 however the coal intersection was not released until the location of the collar could be confirmed; the intersection of 1.54m was announced on 23 July 2014.

The initial samples for Coal Quality analysis of the three main seams GU, GL1, and GL2 from Fox 6 released on 14 March 2014 all report raw ash <10% with raw calorific values exceeding 7,000KCal/kg for large sections of the seams. The raw total sulphur was manageable with the highest value being 0.87%. A coking coal indicator, raw crucible swell number (CSN), returned numbers similar to those released by the ICX/QCI JV on EPC2196 to the north. Large sections of the seam reported raw numbers exceeding 8.0.

The Coal Quality Sampling from Fox 6 has shifted to generating two clean coal composite products, one at CF1.45 and the other at CF1.60 and testing these for a range of coking and thermal properties. This work has been completed, however the results are not available to the Company as Moultrie Geology, the company engaged to complete the exploration, was put into liquidation during the June quarter. This has resulted in much of the data being withheld from the Company. Discussions with the Laboratory and Liquidators of Moultrie Geology are ongoing with the objective being to receive all data compiled during the exploration on the Bundaberg Project. Irrespective of the outcome of these negotiations the Company and our specialist Coal Geologist, Mr Mark Biggs are confident that the quality of the Coal is comparable to the results released by International Coal on the adjacent tenement.

Table 2 below details the Inferred Resource Estimates and Table 3 the Exploration Target while Table 4, below, details the location, depth, dip and azimuth of all the drilling completed on Fox's 100% owned EPC1523.

Figure 2 shows the outline of the Inferred Coking Coal Resource and the Exploration Target of the Burrum Coal Measures within EPC1523.

Table 2 Inferred Coking Coal Resource Estimates on EPC1523 (100% Fox)

Tenement	Formation	Inferred Tonnage (Mt)	Raw Ash % adb	Raw Volatile Matter % adb	Raw Crucible Swell Number	Raw total Sulphur % adb
EPC1523	Burrum Coal Measures	101.2	19.0	22.5	8.0	0.87

Table 3 Exploration Target on EPC1523 (100% Fox)

Tenement	Formation	Exploration Target (Mt)	Raw Ash % adb	Raw Volatile Matter % adb	Raw Crucible Swell Number	Calorific Value Kcal/kg
EPC1523	Burrum Coal Measures, seams GU, GL1, GL2 and H1	20 – 50	<19.0	<22.5	6 - 8	3000 - 6750

Note: the Exploration Target is conceptual in nature, there has been insufficient exploration to date to enable a resource to be estimated and it is uncertain if future exploration would result in a resource being estimated.

Table 4: Drill hole details of the recently completed holes within EPC1523.

Hole Number	Easting	Northing	RL	Dip	Azimuth	Depth (m)
FOX 6R	418,887	7,260,098	32	-88	334	406
FOX 6CQ	418,886	7,260,091	26	-89	315	292.27
FOX 4R	416,652	7,261,196	15	-89	314	134
FOX 5R	415,916	7,261,275	17	-87	302	304
FOX 10R	415,536	7,261,830	11	-88	320	232
FOX 1R	416,587	7,262,798	19	-83	229	251
FOX 3	417,421	7,261,644	12	-80	328	298

Note: the coordinates are GDA 94 zone 56 and were obtained from a hand held GPS with a nominal accuracy of +/- 3m, the RL from this type of GPS is not considered accurate.

The Exploration Target is based on the limited drilling within the strike extension of the coal seams, the recently announced Inferred Resource immediately to the north of the Exploration Target and other exploration that has been conducted on EPC1523. The Exploration target does not include any down-dip extensions of the coal seams nor does it include some conceptual targets that occur to the east of the Inferred Resource.

Further work is being planned within the Bundaberg tenement both within the recently identified Exploration Target with the aim of improving the geological understanding of the coal seams in the area for possible resource estimation in the future but also within the Inferred Resource with the objective to increase the confidence in the Resource Estimate toward an indicated or measured category together with some conceptual targets within EPC1523.

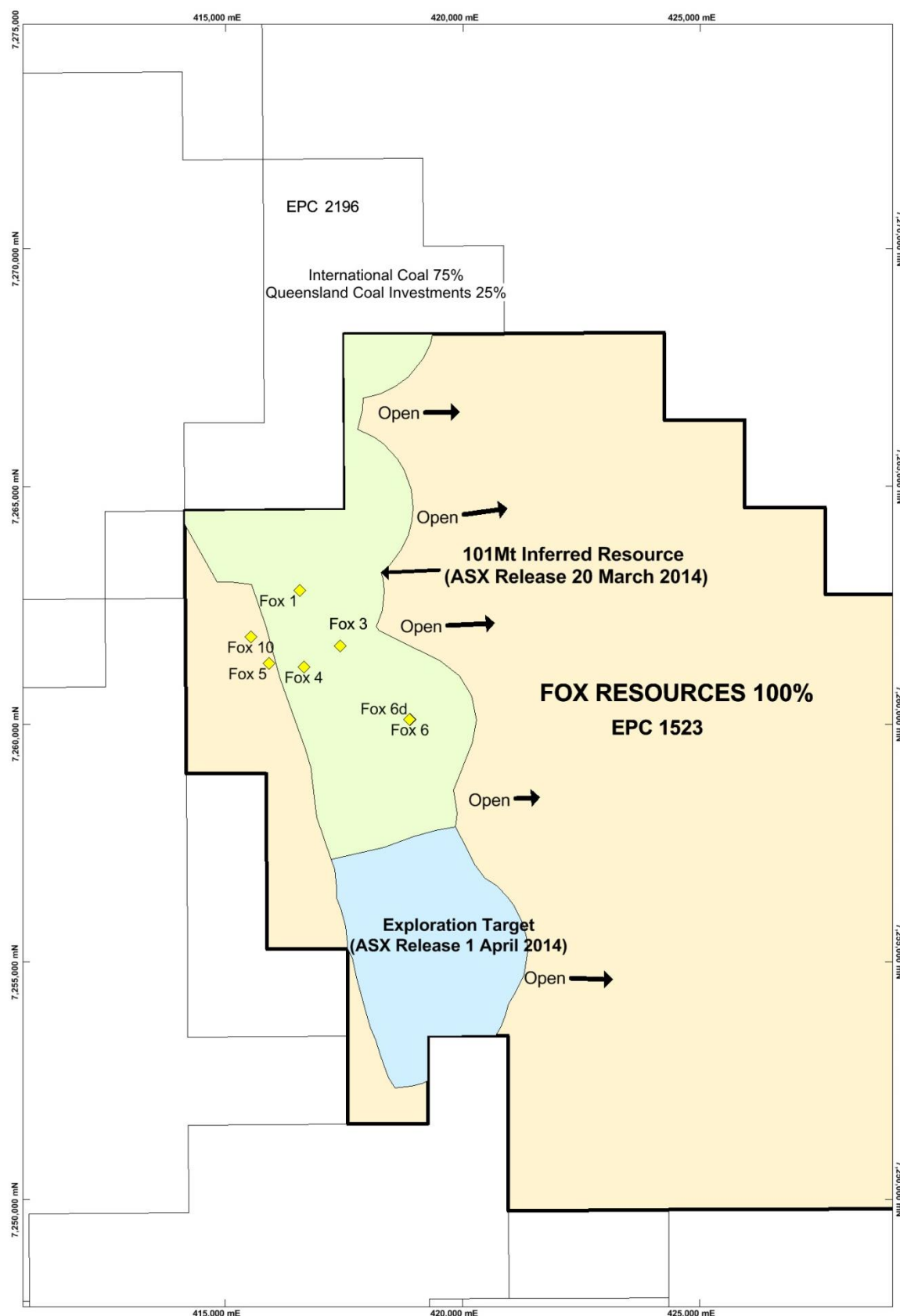


Figure 2: Fox Resources drilling at the Bundaberg Coking Coal Project with the outline of the 101Mt Inferred Coking Coal Resource (ASX release 20 March 2014) and the Exploration Target (ASX release 1 April 2014)

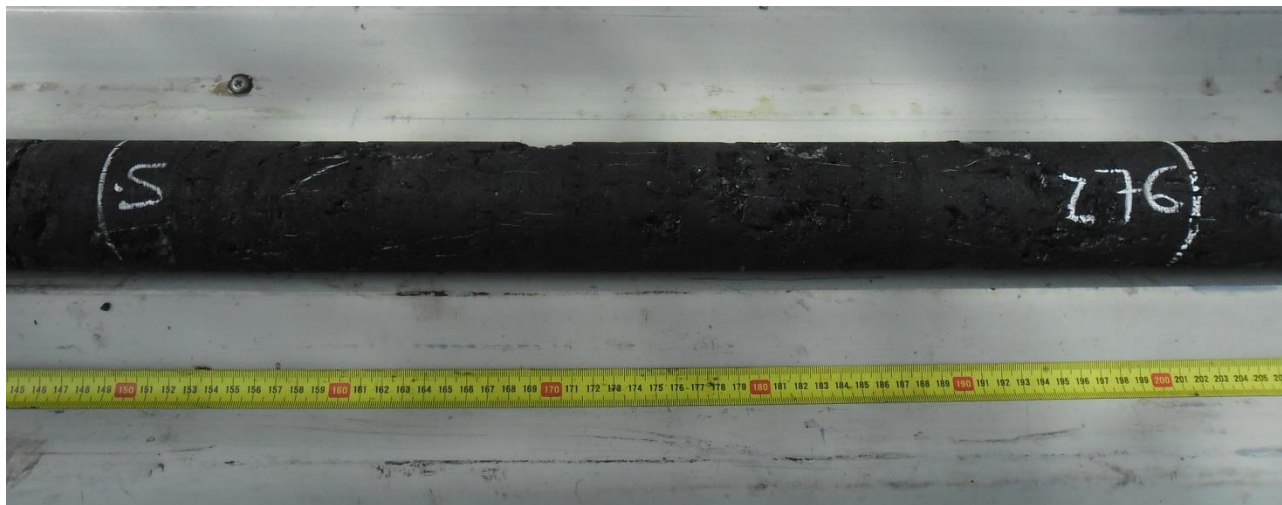


Figure 5: Fox Resources FXRBU006Q Core photo detail 275.5 TO 276m

WESTERN AUSTRALIAN PROJECTS

Fox has a total of five projects (Figure 6) in Western Australia, these being the Radio Hill nickel deposit and surrounding tenements and three Joint Ventures on adjacent tenements including, Mt Oscar, the Mt Marie and the Pilbara Minerals tenements. These four projects, located near Karratha are prospective for nickel, base metals, gold and magnetite. The fifth project is the Star of Mangaroon gold project which is located in the Gascoyne region.

The Radio Hill Base Metal Processing Plant remains on care and maintenance. The plant has a 450,000 tonne per annum capacity and can produce two separate base metal sulphide concentrates. There is also significant infrastructure on the Radio Hill mine site. A total of four care and maintenance staff remain on site to ensure the security on site, undertake maintenance activities and ensure environmental management and compliance of the site. The 84 person accommodation village, associated with the mine infrastructure remains active and available for tenants. Various companies working in the Karratha region have been contacted regarding their accommodation requirements with discussions ongoing. Non Exploration activities undertaken on site over the past year have consisted of continued evaluation of the bacterial heap leach development alternatives for the identified resources at Radio Hill and Sholl. These development alternatives are not currently being considered.

Base Metal Exploration

Radio Hill Mining and Exploration Tenements

During the June quarter, Fox continued its thorough evaluation of its tenure, prospects and resources. The outcome has been the identification and prioritisation of several advanced targets including the high grade historic intersections and possible resource extensions of the Radio Hill and Sholl nickel / copper deposits and the Ayshia and Whundo copper / zinc resources. Additional drilling is also being evaluated at several advanced prospects within the tenement package. Downhole electromagnetic surveys

are planned to assist in delineating off-hole conductors to improve the targeting of these extensions.

Airborne Geophysical Programs

The VTEM data from the Mt Oscar JV tenement (see figure 7 below) had a detailed geophysical evaluation undertaken by Newexco Services Pty Ltd who identified twenty five anomalies for follow-up work. Two other separate VTEM surveys on E47/1813 and E47/2328, flown in 2013 continue to be processed and levelled by Geotech Airborne Limited and are expected to be available for evaluation during the second half of 2014. Further work programs, including field checking any anomalies and ground EM surveys are expected as soon as the data is received by the Company.

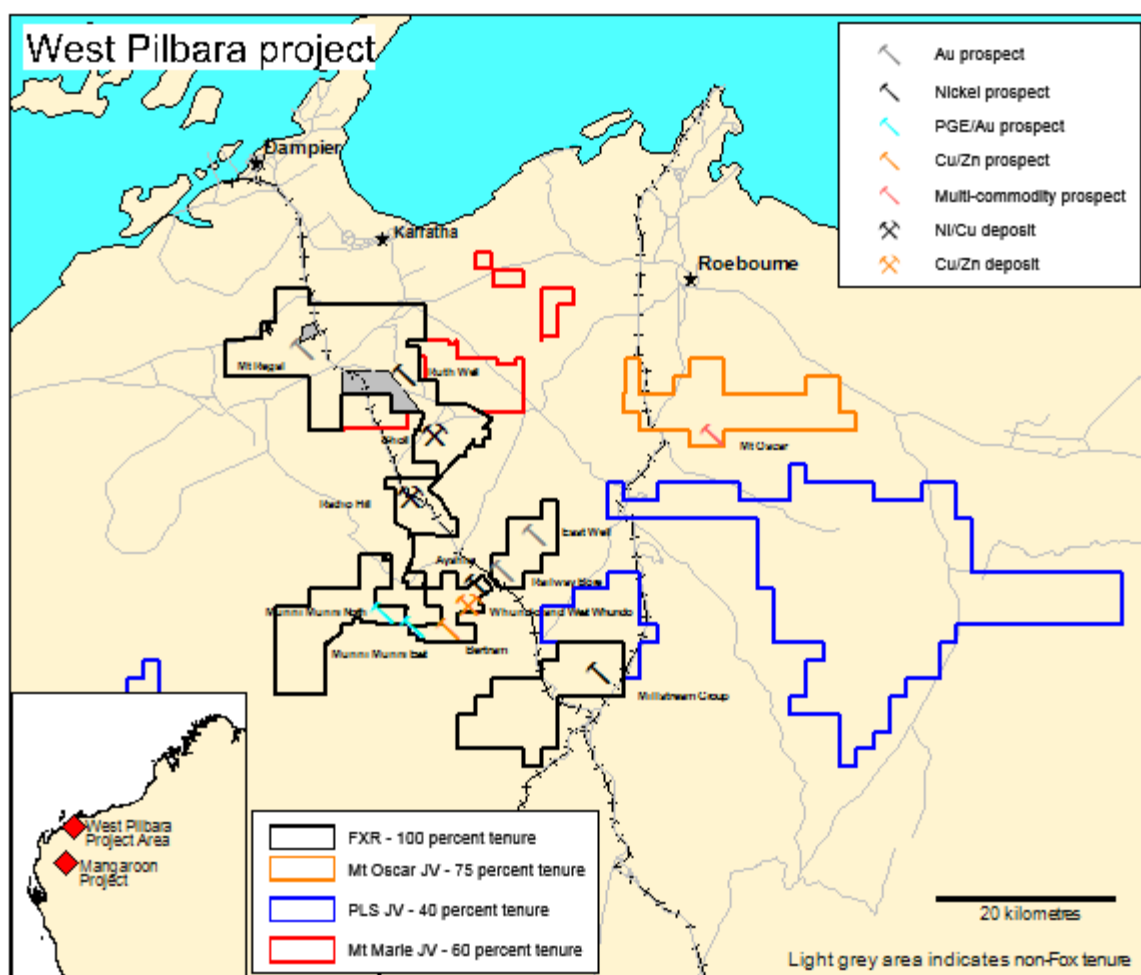


Figure 6: Fox Resources Western Australian tenement location plan

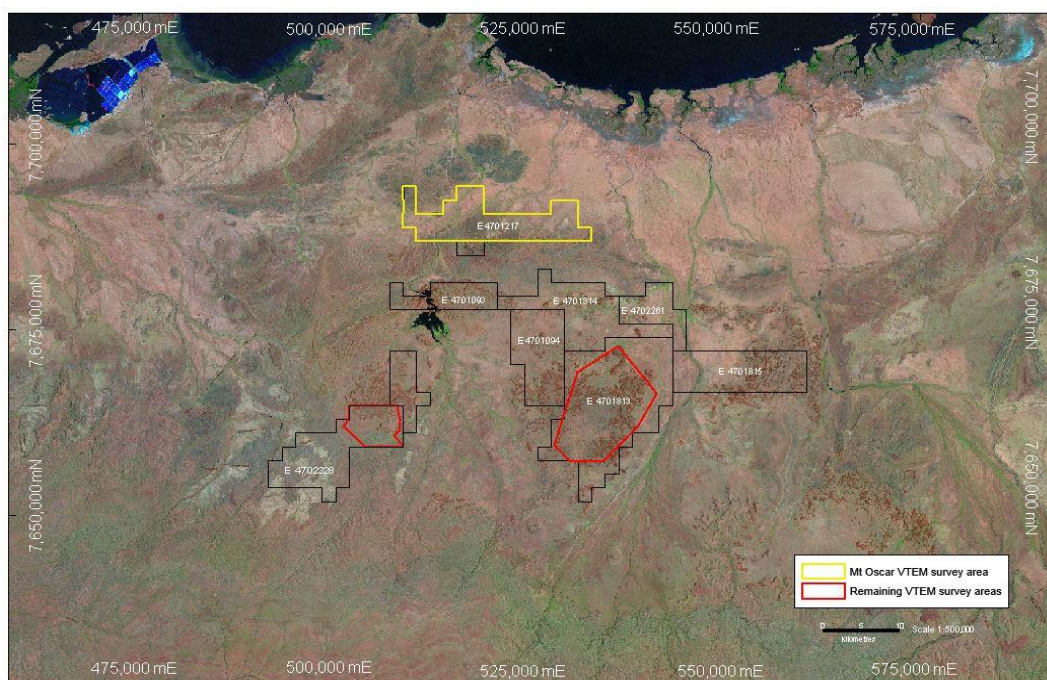


Figure 7: Location of the three VTEM Surveys.

Note: only the Pilbara Minerals Joint Venture and Mt Oscar Joint Venture tenements are shown.

Mt Marie JV

The highest priority target on the Mt Marie JV is the Osborne fixed loop electromagnetic anomaly with the initial plan being three drill holes to test the target. The Company continues to negotiate a new Heritage Agreement with the Ngarluma Aboriginal Corporation which covers all the Fox Resources Tenements in the area. Once an agreement is finalised it is expected that a heritage survey will be undertaken allowing Fox to undertake required earthworks and drill test the anomaly. It is planned that drilling this high priority target will be conducted in 2014.

Pilbara Minerals JV (PLS)

Eight high priority VTEM anomalies were previously identified and evaluated via geological prospecting. All of these targets require further ground based EM surveys. If the ground EM surveys, planned for 2014, provide further encouragement then they will be drill tested in late 2014. The EM surveys are expected to be conducted as a part of a larger geophysical program that would include work on the adjacent exploration projects.

In addition to the target evaluation, a review of the current ground holding was undertaken during the June quarter. This evaluation has recommended significant tenement reductions while retaining the high priority VTEM targets. Subsequent to the end of the June quarter the appropriate tenement reductions were completed.

Mount Oscar JV

Magnetic South Pty Ltd is continuing to earn-in on the tenement under the previously announced Joint Venture agreement. Fox Resources continues to manage exploration for the Joint Venture. Over the last six months the exploration focus has shifted from

targeting extensions of the known magnetite resources or identification of additional magnetite resources toward gold and base metals anomalies. As a consequence of this, work is now focussing on recently acquired VTEM anomalies and the White Quartz Hill gold prospect.

A significant work program has been presented to Magnetic South for approval that includes ground geophysical surveys over several of the high priority VTEM anomalies along with geological mapping, alteration mapping and geochemistry over the White Quartz Hill gold prospect. This work program has not yet been approved by Magnetic South and as such much of the exploration work has been significantly delayed. The company is continuing negotiations with Magnetic South regarding the work program and budget.

Exploration during the quarter has been limited to rehabilitation of the previous exploration activities together with minor geological mapping of the structural and stratigraphic positions associated with gold anomalism at the White Quartz Hill prospect. This mapping is to be expanded and associated geochemical and alteration mapping completed once the work program is approved.

Gold Exploration

Star of Mangaroon Project

While no field based exploration was conducted during the quarter work, including data compilation, validation and geological modelling is continuing to gain a better understanding of the geology and mineralisation within the area. Field checking the historical exploration and evaluation of the exploration potential is expected to be conducted in late 2014.

CORPORATE

In early April the funding agreement announced to the ASX on 2 October 2013 with the Australian Special Opportunities Fund, LP was terminated by mutual consent. The last prepayment received in early March 2014 under the facility was repaid on 11 April 2014.

A General Meeting was held on 9 June 2014 to approve the Underwriting of the Entitlement offer as outlined in the Notice of Meeting (announced 9 May 2014) and Replacement Prospectus (lodged 10 June 2014) by Jungle Creek Gold Mines, to approve the grant of security to Jungle Creek Gold Mines over the Company's Queensland Coal Tenements and to ratify previous share issues. All resolutions were passed.

In accordance with the Replacement Prospects lodged 10 June 2014, the non-renounceable pro rata offer to eligible shareholders was completed late in the quarter. The offer resulted in a total of 282,351,686 new shares being issued and 282,351,686 new options issued. Some of these shares and options were issued in early July.

Early in the quarter an extension of a loan held by Murdoch Capital to the end of September was negotiated with the repayment of \$125,000 of this loan completed by way of underwriting the entitlement offer as outlined in the Replacement Prospectus of 10 June 2014. The balance of the loan as at 30 June was \$125,000.

Repayment of various loans and conversion of some outstanding liabilities were completed late in the quarter in accordance with several underwriting agreements as outlined in the Replacement Prospectus of 10 June 2014.

The Company is continuing to reduce administration costs and other expenses where possible.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results, data, cut off grades and geological interpretation is based on information compiled by Mr Paul Dunbar who is a Member of the AusIMM and the AIG. Mr Dunbar is a full-time employee of Fox Resources and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Fox Resources Limited (Fox's) planned exploration programs and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Fox believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Additional information for quarterly report to 30 June 2014. The only changes in the companies tenements during the June 2014 quarter were compulsory tenement reductions on four Queensland tenements.

Project	State	Registered Owner	Tenement Reference	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter	Area
Radio Hill	W A.	FOX RESOURCES	E47/1202	100%	N/A	100%	55BL
Radio Hill	W A.	FOX RESOURCES	E47/1223	100%	N/A	100%	12BL
Radio Hill	W A.	FOX RESOURCES	E47/2328	100%	N/A	100%	35BL
Radio Hill	W A.	FOX RADIO HILL	ELA47/1214	100%	N/A	100%	3BL
Radio Hill	W A.	FOX RADIO HILL	E47/1216	100%	N/A	100%	6BL
Radio Hill	W A.	FOX RADIO HILL	E47/1758	100%	N/A	100%	29BL
Radio Hill	W A.	FOX RADIO HILL	L47/93	100%	N/A	100%	7Ha
Radio Hill	W A.	FOX RADIO HILL	L47/163	100%	N/A	100%	5Ha
Radio Hill	W A.	FOX RADIO HILL	R47/5	100%	N/A	100%	944Ha
Radio Hill	W A.	FOX RADIO HILL	M47/7	100%	N/A	100%	935Ha
Radio Hill	W A.	FOX RADIO HILL	M47/9	100%	N/A	100%	5Ha
Radio Hill	W A.	FOX RADIO HILL	M47/161	100%	N/A	100%	991Ha
Radio Hill	W A.	FOX RADIO HILL	M47/207	100%	N/A	100%	581Ha
Radio Hill	W A.	FOX RADIO HILL	M47/252	100%	N/A	100%	429Ha
Radio Hill	W A.	FOX RADIO HILL	M47/253	100%	N/A	100%	296Ha
Radio Hill	W A.	FOX RADIO HILL	M47/254	100%	N/A	100%	101Ha
Radio Hill	W A.	FOX RADIO HILL	M47/275	100%	N/A	100%	232Ha
Radio Hill	W A.	FOX RADIO HILL	M47/337	100%	N/A	100%	183Ha
Radio Hill	W A.	FOX RADIO HILL	M47/344	100%	N/A	100%	982Ha
Radio Hill	W A.	FOX RADIO HILL	M47/345	100%	N/A	100%	981Ha
Radio Hill	W A.	FOX RADIO HILL	M47/346	100%	N/A	100%	996Ha
Radio Hill	W A.	FOX RADIO HILL	M47/347	100%	N/A	100%	966Ha
Radio Hill	W A.	FOX RADIO HILL	M47/348	100%	N/A	100%	996Ha
Radio Hill	W A.	FOX RADIO HILL	M47/349	100%	N/A	100%	980Ha
Radio Hill	W A.	FOX RADIO HILL	M47/350	100%	N/A	100%	890Ha
Mt Oscar JV ^{#1}	W A.	FOX RADIO HILL	E47/1217-I	75%	N/A	75%	37BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1093	40%	N/A	40%	25BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1094	40%	N/A	40%	25BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1097	40%	N/A	40%	35BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1813	40%	N/A	40%	32BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1814	40%	N/A	40%	30BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/1815	40%	N/A	40%	30BL
Pilbara Minerals JV ^{#2}	W A.	Pilbara Minerals	E47/2261	40%	N/A	40%	13BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1806	60%	N/A	60%	4BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1807-I	60%	N/A	60%	21BL
Mt Marie JV ^{#3}	W A.	FOX RADIO HILL	E47/1878-I	60%	N/A	60%	7BL
Star of Mangaroon	W A.	Gascoyne Mines	E09/1081	100%	N/A	100%	24BL
Star of Mangaroon	W A.	Gascoyne Mines	E09/1813	100%	N/A	100%	32BL

<i>Project</i>	<i>State</i>	<i>Registered Owner</i>	<i>Tenement Reference</i>	<i>Interest at beginning of Quarter</i>	<i>Acquired / Disposed</i>	<i>Interest at end of Quarter</i>	<i>Area</i>
Star of Mangaroon	W A.	Gascoyne Mines	P09/452	100%	N/A	100%	47Ha
Emerald	QLD	FOX RESOURCES	EPC1303	100%	47 BL	100%	190 BL
Springsure	QLD	FOX RESOURCES	EPC1304	100%	44 BL	100%	177 BL
Eromanga	QLD	FOX RESOURCES	EPC1305	100%	N/A	100%	300 BL
Alpha	QLD	FOX RESOURCES	EPC1306	100%	59 BL	100%	235 BL
Springsure	QLD	FOX RESOURCES	EPC1307	100%	N/A	100%	294 BL
Alpha	QLD	FOX RESOURCES	EPC1308	100%	N/A	100%	296 BL
Eromanga	QLD	FOX RESOURCES	EPC1309	100%	96 BL	100%	144 BL
Springsure	QLD	FOX RESOURCES	EPC1310	100%	N/A	100%	240 BL
Alpha	QLD	FOX RESOURCES	EPC1311	100%	N/A	100%	16BL
Alpha	QLD	FOX RESOURCES	EPC1312	100%	N/A	100%	300BL
Alpha	QLD	FOX RESOURCES	EPC1469	100%	N/A	100%	6BL
Barcomba	QLD	FOX RESOURCES	EPCA1473	100%	N/A	100%	136 BL
Emerald	QLD	FOX RESOURCES	EPC1476	100%	N/A	100%	84 BL
Emerald	QLD	FOX RESOURCES	EPC1519	100%	N/A	100%	320 BL
Emerald	QLD	FOX RESOURCES	EPC1520	100%	N/A	100%	238 BL
Bundaberg	QLD	FOX RESOURCES	EPC1523	100%	N/A	100%	81 BL
Styx	QLD	FOX RESOURCES	EPC1554	100%	N/A	100%	49 BL

^{#1} Mt Oscar Joint Venture Fox Resources 100% diluting to 40%,

^{#2} Pilbara Minerals Joint Venture Fox Resources earning up to 80%,

^{#3} Mt Marie Joint Venture Fox Resources 60%, Artemis Resources 40% contributing

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

FOX RESOURCES LIMITED

ABN

44 079 902 499

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	15	1,022
1.2	Payments for (a) exploration & evaluation	(208)	(2,063)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(361)	(2,201)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	25
1.5	Interest and other costs of finance paid	(14)	(75)
1.6	Income taxes paid	-	-
1.7	Environmental bond refund	-	1,158
1.8	Research and development rebate	-	310
1.9	Other (provide details if material)	-	-
	Net Operating Cash Flows	(568)	(1,824)
Cash flows related to investing activities			
1.10	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.11	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.12	Loans to other entities	-	-
1.13	Loans repaid by other entities	-	-
1.14	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.15	Total operating and investing cash flows (carried forward)	(568)	(1,824)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.15	Total operating and investing cash flows (brought forward)	(568)	(1,824)
	Cash flows related to financing activities		
1.16	Proceeds from issues of shares, options, etc.	181	956
1.17	Proceeds from sale of forfeited shares	-	-
1.18	Proceeds from borrowings	811	1,921
1.19	Repayment of borrowings	(83)	(1,154)
1.20	Dividends paid	-	-
1.21	Proceeds from issue of convertible note	-	300
1.22	Repayment of convertible note	(242)	(242)
1.23	Share issue prepayment	-	50
	Net financing cash flows	667	1,831
	Net increase (decrease) in cash held	99	7
1.24	Cash at beginning of quarter/year to date	38	130
1.25	Exchange rate adjustments to item 1.20	-	-
1.26	Cash at end of quarter	137	137

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.27	Aggregate amount of payments to the parties included in item 1.2	63
1.28	Aggregate amount of loans to the parties included in item 1.10	-

1.29 Explanation necessary for an understanding of the transactions

Salary payment to Managing Director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 16 May 2014, 1,449,315 shares were issued in connection with the agreed extension of the repayment date for the \$250,000 loan to the Company, details which were announced to ASX on 24 January 2014.

On 30 June 2014, 258,122,741 shares were issued as part of the non-renounceable entitlement issue to offset debt, details which were announced to ASX on 30 June 2014.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	170
Total	370

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	137	38
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	137	38

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	EPC1303 EPC1304 EPC1306 EPC1309	100% Fox Resources 100% Fox Resources 100% Fox Resources 100% Fox Resources	237 Blocks 221 Blocks 294 Blocks 240 Blocks
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	841,931,126	841,931,126	
7.4	Changes during quarter			
	(a) Increases through issues	11,000,000 1,449,315 277,227,755	11,000,000 1,449,315 277,227,755	\$0.006 Nil \$0.015
	(b) Decreases through returns of capital, buy-backs			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities (description)	\$250,000 convertible loan (interest rate 10% pa) repayable on or before 30 September 2014.			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	1 secured convertible security, face value \$300,000 was repaid.			
7.7	Options (description and conversion factor)	<u>Unlisted</u> 4,000,000 769,231 833,333 4,000,000 833,333 833,333 1,666,667 3,000,000 <u>Listed</u> 277,227,755	- - - - - - - - - - -	<i>Exercise price</i> \$0.0261 \$0.0156 \$0.0144 \$0.06 \$0.0144 \$0.0144 \$0.0072 \$0.0072 \$0.04	<i>Expiry date</i> 02/10/2015 01/11/2015 03/12/2015 30/06/2017 27/12/2015 31/01/2016 27/02/2016 31/03/2016 30/06/2016
7.8	Issued during quarter	<u>Unlisted</u> 3,000,000 <u>Listed</u> 277,227,755	- - -	\$0.0072 \$0.04	31/03/2016 30/06/2016
7.9	Exercised during quarter				
7.10	Expired during quarter	2,120,000		\$0.15	01/06/2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

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Date 31 July 2014

Company Secretary

Print name: David Peterson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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