

DIAMOND DRILLING PROGRAMME COMMENCES

Fox Resources Ltd (Fox) (ASX Code: FXR) is pleased to announce that the diamond drilling program as mentioned in the September 2010 Quarterly report has commenced with the Whundo project being the first to be drilled.

Whundo

Diamond drilling at the 100% owned Whundo Cu/Zn project has commenced and is designed to test an inferred prospective horizon that occurs stratigraphically beneath the Whundo mineralisation. This horizon has been inferred between near surface intersections at Whundo, and deep intersections at Austin. The programme will be carried out by extending existing drill holes in order to minimise costs.

In addition, an induced polarisation anomaly to the south of the Whundo deposit will be drill tested. The anomaly is interpreted as a potential stockwork or stringer zone of sulphides within the Whundo-West Whundo VMS mineral system.

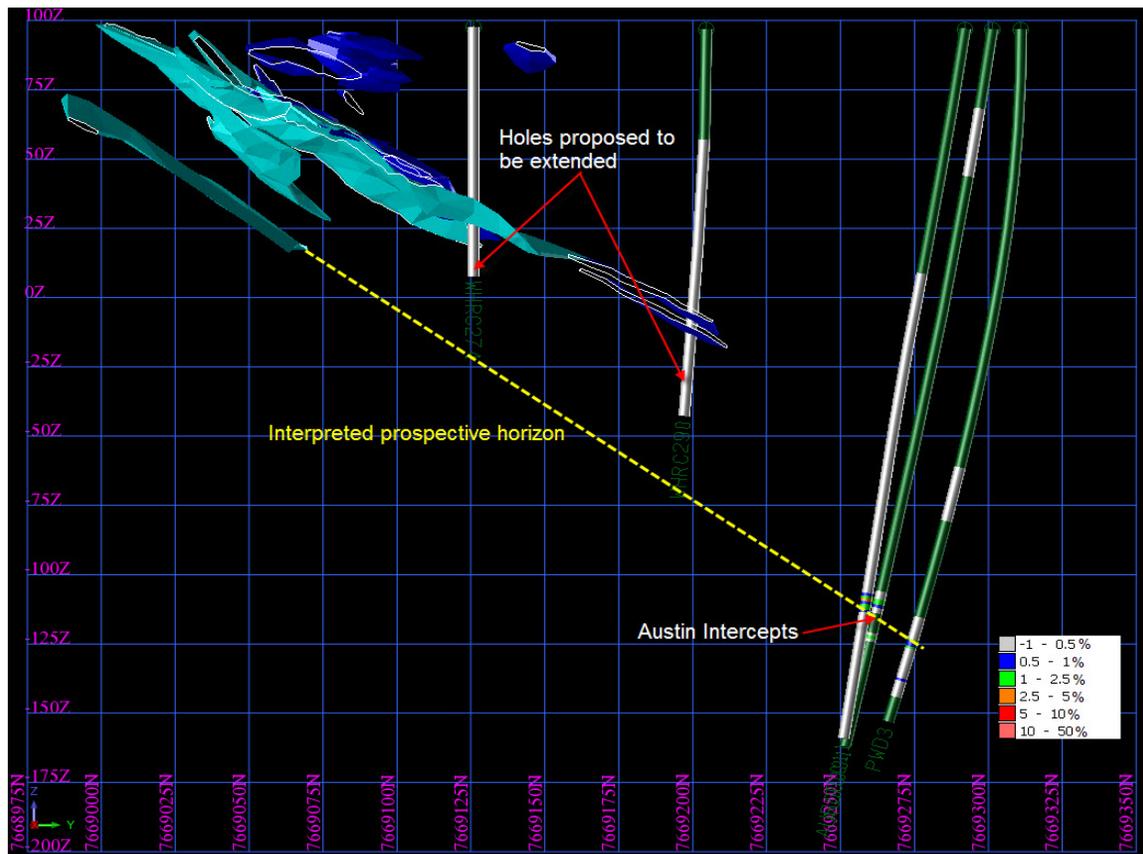


Figure 1 – Cross section through the Whundo ore body showing the hypothesized ‘Austin horizon’ which may be prospective for additional mineralisation.

Railway Bore

Diamond drilling at the 100% owned Railway Bore gold prospect will commence upon the completion of the drilling at Whundo. The shallow diamond drilling at Railway Bore is planned to test a quartz vein that has assayed up to 7g/t Au at surface, as well as providing structural information on which to base further drilling, should it be warranted.

Mt Regal

Following the successful RAB drilling programme that was completed in the September quarter, diamond drilling is now planned at the 100% owned Mt Regal Au prospect. Two diamond drill holes have been designed to test the mineralised trend, which extends over a strike length of at least 2.8 km. The drilling should yield information on the style of the gold mineralisation, which will assist in the interpretation of the gold anomalism and the planning of further exploration work.

Sholl

Ground electromagnetic surveying has been completed on the area lying between Sholl B1 and B2. This survey was designed to test for downthrown sulphides to the north of the truncated B2 mineralisation. Results are currently being processed.

Ruth Well

Ground electromagnetic surveying at the 100% owned Ruth Well Ni prospect has also been completed and results are currently being processed.

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Competent Persons Consent

The information within this report as it relates to mineral exploration results and geophysics 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 the report of the matters based on the information in the form and context in which it appears.