

Fox Resources – Exploration and Project Update

Base metals development and exploration company Fox Resources ('Fox', 'the company') (ASX: FXR) is pleased to provide an update on recent exploration and heap leach project activities.

Key Highlights:

- **Mt Oscar drilling commences**
- **Bertram drilling completed**
- **Ayshia DHEM completed**
- **Results received for drilling at Radio Hill – best intersection 8.9m @ 0.63% Cu and 0.38% Ni – potential to increase near surface mining inventory**
- **Sterilisation electromagnetic survey commenced south-west of Radio Hill prior to design of the heap leach pad**
- **Negotiations continuing with Chinese partners**

EXPLORATION PROJECTS

Mount Oscar:

Fox Resources is pleased to announce the commencement of a 3,000m reverse circulation (RC) drilling programme at the company's Mt Oscar JV project, located approximately 25km south of Roebourne. The drilling is designed to extend the magnetite resource, which currently stands at 72.4 Mt at 34.0% Fe (Inferred Mineral Resource), which was defined following two previous drilling campaigns.

The drilling programme is being undertaken by Fox in conjunction with joint venture (JV) partner Magnetic South Pty Ltd (Magnetic South). Magnetic South has committed to spending up to AUD\$20m to develop the Mt Oscar project over a 5 year period, to earn a direct 60% interest.

The drilling is expected to take several weeks to complete. Results from this drill programme will be published as they become available.

Ayshia:

Down-hole electromagnetic (DHEM) surveys have been completed in the three diamond drill holes recently drilled at Ayshia (

Figure 1). The DHEM survey was designed to test for further conductive targets at depth. The results of the DHEM survey are expected to be received shortly, along with the assays from drill holes AYDD103 and AYDD104, which contained prominent chalcopyrite mineralisation. Results from AYDD102 were released to the market on 29 February 2012, with a significant intersection of 34.85m @1.10% copper being reported.

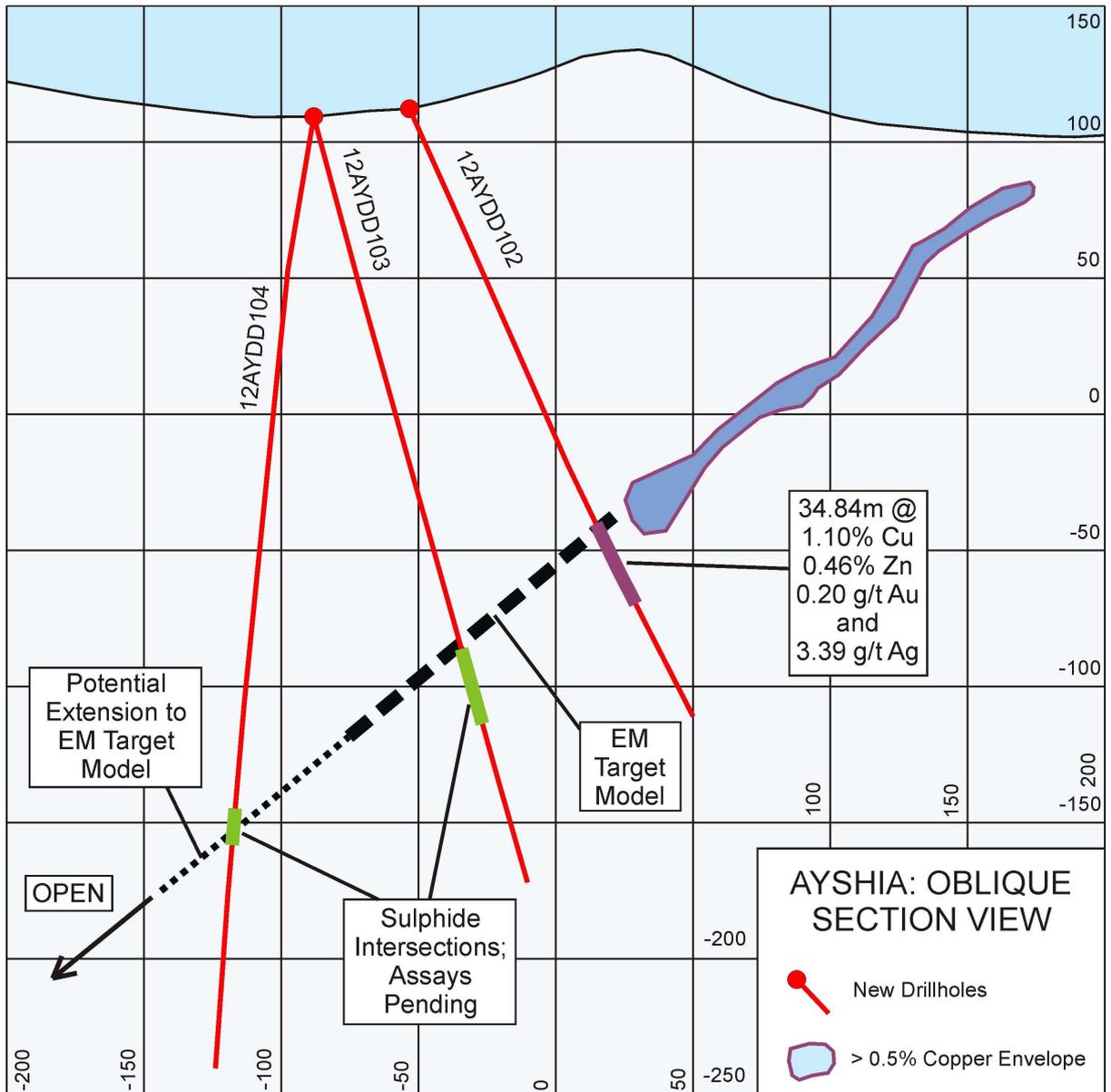


Figure 1: Oblique Cross-Section of the Ayshia Project (scale in metres).

Bertram:

Drilling at the Bertram project has been completed. The drilling was targeted at a shallow EM anomaly. The programme successfully intersected a weakly conductive horizon, consisting of minor iron sulphides, which accounted for the anomaly. Samples were dispatched for geochemical analysis to assist in the interpretation of the drill holes, for which results are pending.

RADIO HILL HEAP LEACH PROJECT

Diamond Drilling:

Two drill holes were completed adjacent to the existing trial pit at Radio Hill (Figure 2). These drill holes returned assay grades that were in line with expectations, and indicate that copper and nickel sulphide mineralization exists outside the current resource model for the Radio Hill deposit. The results will be utilised in a reassessment of the near surface mineral resource, and mining inventory, for the Radio Hill heap leach project. The intersections are as follows:

11RHDD123:

- 1.0m @ 0.41% Cu and 0.29% Ni from 31.6m
- 0.95m @ 0.41% Cu from 47.05m and;
- 2.3m @ 0.40% Cu and 0.67% Ni from 49.2m

12RHDD124:

- 8.9m @ 0.63% Cu and 0.38% Ni from 83.1m, which contains 4m @ 0.82% Cu and 0.48% Ni.

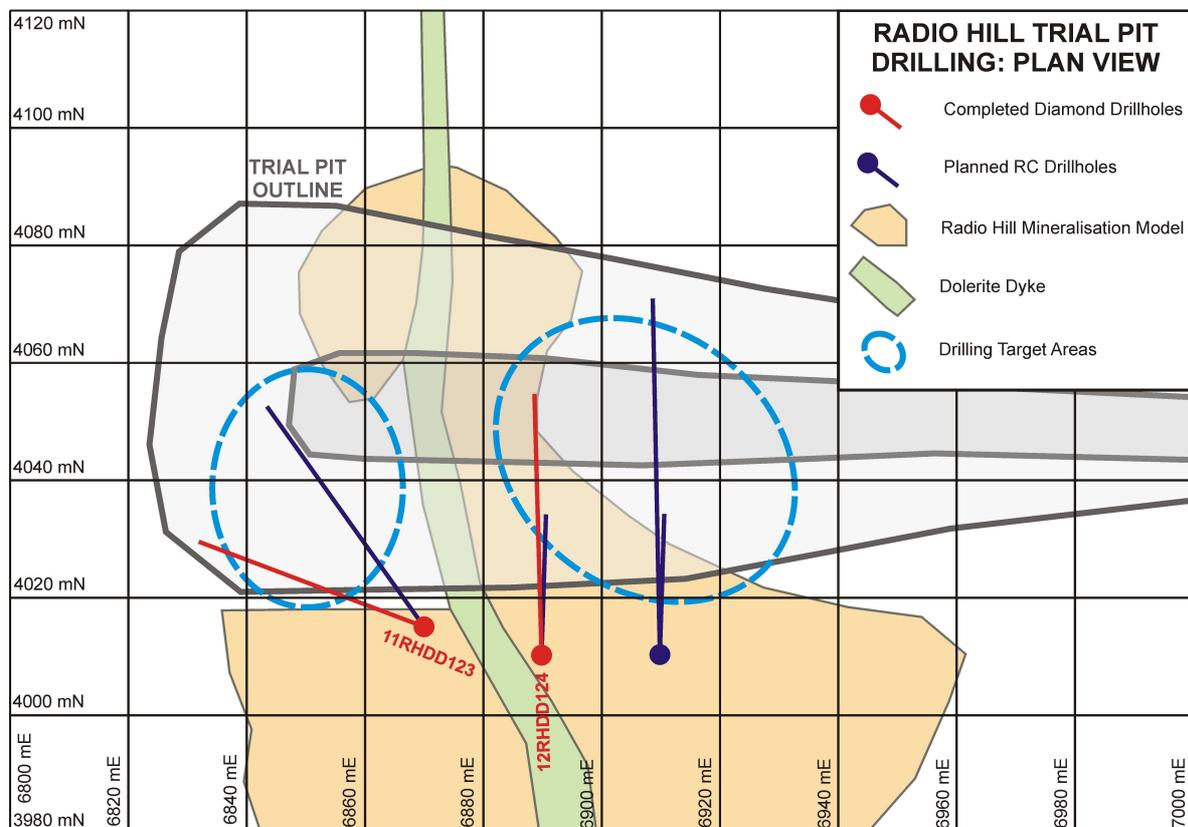


Figure 2: Radio Hill Trial Pit Drilling - Plan View. Coordinates - Radio Hill mine grid (metres).

Geotechnical Study:

A geotechnical study of the core from 11RHDD123 and 12RHDD124 has been commenced by Snowden Mining Consultants. This work will assist in the planning of any near surface mine development in the area.

Sterilisation Electromagnetic Survey:

A moving loop electromagnetic (MLEM) survey has commenced over an area to the southwest of the Radio Hill deposit. This survey is designed to sterilise an area that is being considered as a site for the heap leach pads and ponds. The survey will also be extended to test a poorly defined EM anomaly that was identified at the edge of a previous survey, and has yet to be followed up.

Funding and Off-Take Negotiations:

Fox announced on 15 November 2011 that it had entered into a non-binding Memorandum of Understanding (MOU) with Chinese cooperative Jiangxi Jiangli Sci-Tech Co Ltd (Jiangli), to engage in off-take negotiations between each of the parties. Negotiations to arrive at an agreement are at this stage still ongoing and further updates will be provided as significant developments occur.

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About Fox Resources

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

Fox is well advanced in developing an innovative heap leaching operation to capitalise on an existing 300,000+ tonnes of stockpiled material at its flagship Radio Hill copper/nickel Project. Returning to production at Radio Hill is a major priority for the Company with exploration to further define base metal resources key to extending the future heap leach operations.

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

Competent Persons Statement:

The information within this announcement 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 this announcement of the matters based on the information in the form and context in which it appears.