

## FOX TO BUILD ON 10 MILLION TONNES OF NICKEL - COPPER RESOURCES

**Fox Resources Limited** (ASX: FXR, Fox) is pleased to provide shareholders with an update on the Company's growth strategy, resources inventory and exploration activities at the Company's 100%-owned nickel-copper Projects in the Pilbara of Western Australia (Figure 2).

Fox's growth strategy is aimed at defining further base metal resources to sustain a low cost operation that treats known sulphide resources at the Company's Radio Hill, Sholl and Whundo projects.

The Company is currently working on extending mine life for the proposed heap leach operation, based on a growing resource inventory of a substantial 10 million tonnes (Table 1).

The Company's base metal resources consist of 53,286 tonnes of contained nickel and 73,144 tonnes of contained copper. The current total Indicated and Inferred resource at Sholl is 31,952 tonnes of contained nickel and 37,060 tonnes of contained copper.

Table 1. Nickel-Copper Resources

Resource Area	Mineralisation	Resource Classification	Tonnes	Ni%	Cu%
Radio Hill <sup>(1)</sup>	Primary Sulphide	Indicated	1,980,000	0.61	1.04
Radio Hill <sup>(1)</sup>	Primary Sulphide	Inferred	2,040,000	0.42	0.73
Sholl B2 <sup>(2)</sup>	Primary Sulphide	Indicated	633,000	0.59	0.64
Sholl B2 <sup>(2)</sup>	Primary Sulphide	Inferred	5,324,000	0.53	0.62
Ruth Well <sup>(3)</sup>	Primary Sulphide	Indicated	60,000	0.99	0.87
Ruth Well <sup>(3)</sup>	Primary Sulphide	Inferred	9,000	1.05	0.87
<b>Total</b>			<b>10,046,000</b>	<b>0.53</b>	<b>0.73</b>
Contained Metal (Tonnes)				<b>53,286</b>	<b>73,144</b>

1. 2009 estimate (Snowden) Cutoff Grade 0.5 % Ni
2. 2008 estimate (FXR) Cutoff Grade 0.3% Ni
3. 2008 estimate (FXR) Cutoff Grade 0.3% Ni

Resources for Sholl and Ruth Well have been estimated to a JORC standard and have not materially changed from Fox Resources' 2008 Resource Statement and are re-stated here. Mr Jeremy Peters, a full-time employee of Fox Resources at the time of resource estimation, takes responsibility for these resource statements.

The Radio Hill resource has been estimated to a JORC standard by Snowden Mining Industry Consultants in September 2009 from an updated resource model provided by Fox staff and Newexco Pty Ltd.

Fox today announced that its exploration program has shifted to Sholl (Figure 1), where a re-evaluation of data will be conducted in a similar manner to that which was carried out recently for the Radio Hill nickel-copper deposit.

Newexco Services Pty Ltd, in conjunction with Fox geological staff, will verify historic drill data of the Sholl mineralised system before commencing geological interpretation and wire framing.

Sholl is a key project in the Company's prospective resource portfolio. The project is a 2.5km long continuous, shallow plunging mineralised nickel system located just 6 km north of Radio Hill.

Fox's Managing Director, Mr Bruno Seneque, said the current focus at Sholl is to identify mineralisation suitable for treatment by heap leaching.

"Our exploration target is 100,000 tonnes of contained nickel and 100,000 tonnes of contained copper," said Mr Seneque. "It's advantageous for us to establish as much feed for the proposed heap leaching operations as possible and we see Sholl as another potential source for ore."

"The re-evaluation of the Sholl deposits will seek to determine the optimal cut-off grade that will maximise the economic return in a heap leaching scenario," he said.

"Our robust resources differentiate us from other junior explorers and we're determined to build on, and utilise this growing competitive advantage."

Disseminated ore from Fox's Sholl deposit has been previously heap leached by Titan Resources NL as part of a large field based, pilot scale operation with a 5,000 tonne heap and another 8,000 tonne heap. Irrigation of the initial 5,000 tonne heap commenced in May 2000 and by October 2000, nickel recovery into solution reached 74%.

### **Heap Leach Test Work at Radio Hill**

Heap leaching test work at Radio Hill is progressing well and the Company will make a decision, subject to satisfactory recoveries and product specifications, to commence development of the base metals heap leaching operations at Radio Hill this quarter.

The development represents a new approach to the Company's assets, with significant cost savings expected due to the lack of mining and crushing required for material stockpiled on surface.

Mr Seneque said the proposed plans are very economical, and also environmentally friendly.

"The hydroxide we plan to produce will go straight into the refinery when it goes to China, unlike previously where the nickel-copper concentrate had to go to the smelter first and then the refinery," he said.

"Once we receive a green light on this operating strategy, we anticipate rapid development of the heap leaching processing infrastructure for a relatively small initial capital outlay."

### **Baynton**

Reverse circulation drilling at Baynton BC2 anomaly has now been completed. Six holes totaling 340m, were drilled to test the modeled conductive source and to investigate its geological context.

The BC2 anomaly was first identified in an airborne VTEM survey flown in 2007/08. Follow-up ground EM surveying confirmed an anomalous response believed to be sourced by a bedrock conductor located below alluvial cover.

The mineralisation intersected was dominantly magnetite with lesser amounts of iron sulphides and appears to be structurally controlled and possibly hydrothermal in origin. Preliminary analysis by a Niton portable XRF unit indicates that no significant base metals mineralisation was present. Samples of the mineralisation were taken and will be analysed for gold and a base metal suite of elements; analytical results are pending.

## **Balmoral Project**

The VTEM survey and preliminary multi element stream sediment and BLEG (Bulk Leach Extractable Gold) sampling completed over the Balmoral project (formerly De Beers) in 2007/2008 has generated a number of targets for both gold and base metals warranting follow up. A programme of geological mapping, geochemical sampling and ground geophysical surveys over these target areas is planned. Field mapping with simultaneous sampling will better define and distinguish lithologies over target areas and validate the source of the anomalies which will determine whether follow-up geophysics or drilling is required. Follow-up ground EM surveys will be required to further define bedrock conductors indicated by the 2007 VTEM program.

## **Whundo Project**

In the Whundo region a database consolidation campaign and review has commenced. This will result in a better geological understanding of the region, delineate targets for immediate testing and allow for better planning of future exploration activities.

Initially focus will be on the Whundo and West Whundo ore bodies where the Resources will be reinterpreted and reviewed with respect to a leaching operation and the potential for additional sulphide mineralisation.

It is envisaged that drilling will be required to confirm the new interpretation, provide new material for metallurgical testwork and test identified exploration targets.

## **Gold**

Other gold exploration work being undertaken is on a new exploration license (E47/1202), west of the Ruth Well Project, granted in July of this year. This license covers a newly discovered alluvial field, from which prospectors have removed a significant amount of gold prior to the tenement being granted. Work will now focus on identifying the source of this mineralisation through a campaign of geological mapping and geochemical sampling.

## **Mount Oscar Magnetite Project**

The Company continues to advance discussions from a recent trip to China to market the Mount Oscar magnetite project (Mt Oscar). Due diligence studies are complete and a technical site visit to Mt Oscar is planned within the coming month.

The Fox management team is working extensively to determine the best deal possible to unlock the value that Mt Oscar represents to shareholders, including continued exploration work at the project. Fox geologists are currently compiling a drilling programme to work towards upgrading the current resource, aiming for an exploration target of 500Mt.

“The process is very comprehensive, also given the fact that we have had a lot of inbound interest, but we are making solid progress and look forward to providing further updates over the next several weeks.”

-ENDS-

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## About Fox Resources

**Fox Resources** (ASX: FXR, Fox) is a nickel and copper exploration company with a substantial land holding in the Pilbara of Western Australia and established relationships with China.

Fox has a new operating strategy, based on capitalising the 300,000+ tonnes of stockpiled material to establish an initial five-year heap leaching operation. Part of this strategy is defining further base metal resources to incorporate into future heap leach operations.

The Company believes the implementation of a longer-term production strategy will drive positive cash flow in the near-term and deliver positive results for shareholders.

The Mt Oscar magnetite project continues to draw significant interest from potential investors, including state-owned entities and private companies. On 18 March 2009, Fox announced an Inferred resource of 72.4 million tonnes @ 34% Fe<sup>1</sup>. The Company has an exploration target of between 800 million and 1.2 billion tonnes<sup>2</sup> based on the 8km of strike length yet to be drilled along with geophysics, field mapping and reconnaissance by Fox staff. A scoping study at Mt Oscar, completed in June 2009, described the project as positive with great potential for success and has recommended proceeding with pre-feasibility studies.

Fox is entering a new era of growth with a strengthened team, new direction and several near-term opportunities.

### COMPETENT PERSONS STATEMENT

Information in this document 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 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.

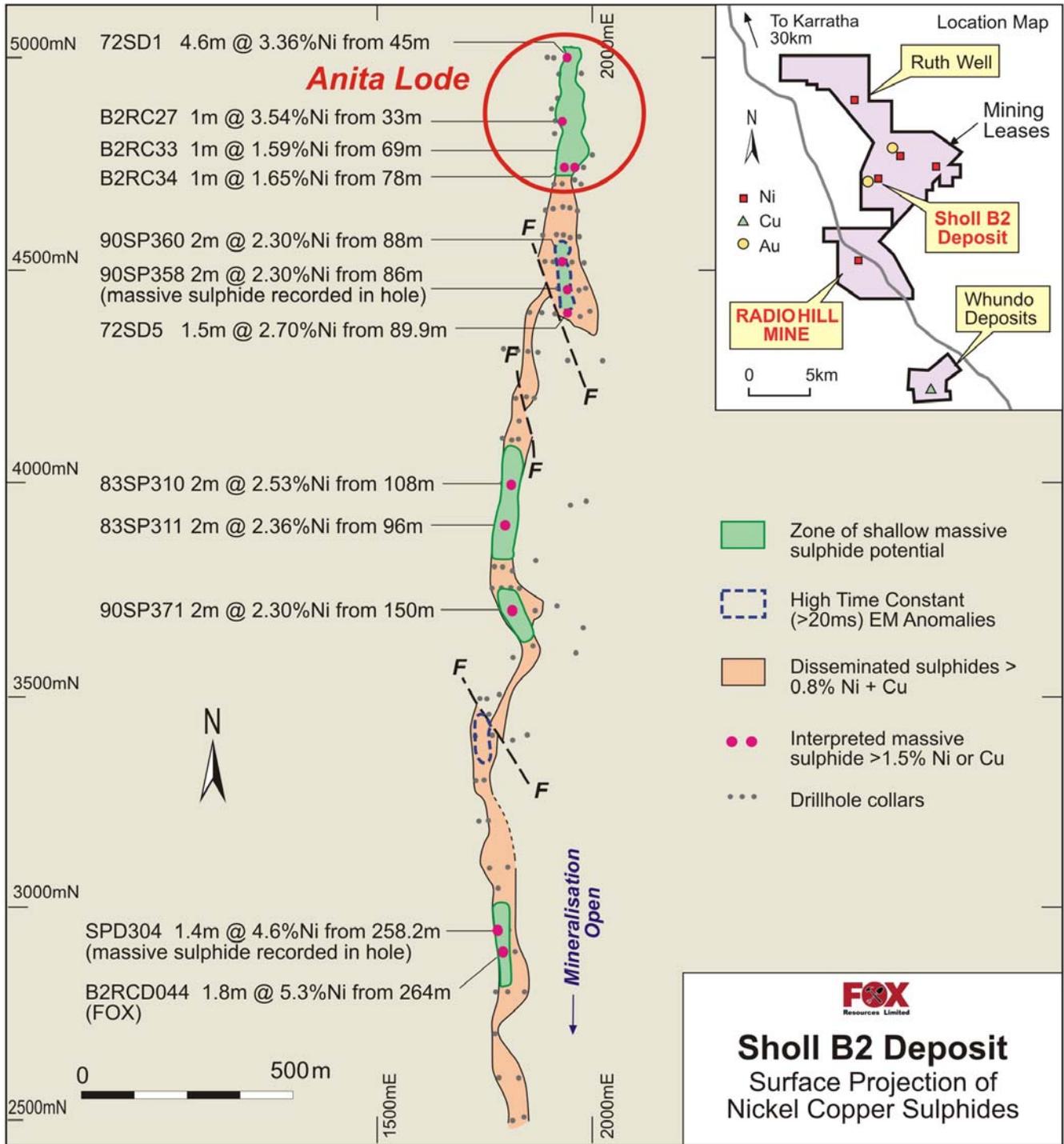
The exploration information in this report as it relates to Mt Oscar is based on information compiled by Mr Neil Winfield who is an employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Winfield has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Winfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The potential quantity and grade of the untested areas of the Mount Oscar project is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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<sup>1</sup> A full resource statement for the Mt Oscar project is contained in the ASX release by Fox on 18 March 2009.

<sup>2</sup> The potential quantity and grade of the untested areas of the Mount Oscar project is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Figure 1: Sholl B2 Nickel-Copper Deposit



NOTE : Massive sulphide has been interpreted over these intercepts from assay data only. Assay data was used in line with findings by C.I Mathison & A.E Marshall [Economic Geology, V76, 1981] who analysed massive and disseminated sulphide fractions at Mt Sholl. Their findings suggest that massive sulphide averages >2%Ni, but low copper <0.5%Cu, compared to disseminated sulphides with high Cu values.

Figure 2: Fox Tenements

