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ASX / Media Announcement

FOX RESOURCES AND INTERNATIONAL COAL TO COOPERATE ON BUNDABERG COKING COAL PROJECT

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Projects:

Queensland
Coal

Radio Hill
Nickel – copper

Sholl
Nickel – copper

Ayshia
Copper – zinc

Mt Oscar
JV Iron ore

Star of Mangaroon
Gold

Highlights:

- **Fox Resources and International Coal have agreed to an information sharing arrangement for their hard coking coal projects at Bundaberg (Figure 1).**
- **This arrangement represents the first step toward possible development of the coal seams in the area.**
- **A 37.9Mt Inferred Resource has been previously reported by International Coal Limited on the 17th December 2014 at EPC 2196 and recent drilling by Fox Resources indicates the coal seams extend to the south into EPC 1523.**
- **With the right approach, both companies believe the hard coking coal project has a bright future.**

Fox Resources Limited (ASX:FXR) and International Coal Limited (ASX: ICX) are pleased to announce the development of a data sharing and confidentiality arrangement regarding the Bundaberg hard coking coal project which straddles EPC 2196 and 1523 (**Figure 1**).

The arrangement follows the estimation of a 37.9Mt Inferred Resource (reported by ICX in a release dated 17th December 2013 and there has been no material change to the data since that release) in EPC 2196 and some strong drilling results from a recent program executed by Fox Resources reported most recently on 20th January 2014.

Mr Paul Dunbar, Managing Director of Fox Resources said, “The (data sharing) arrangement is an initial step toward evaluating the economic viability of the combined coal seams that occur on EPC2196 and EPC1523. We are going to work together in a transparent manner to evaluate the potential and possible economic viability of the combined project. It’s in our best interest to see the project evaluated and potentially developed to its maximum potential”.

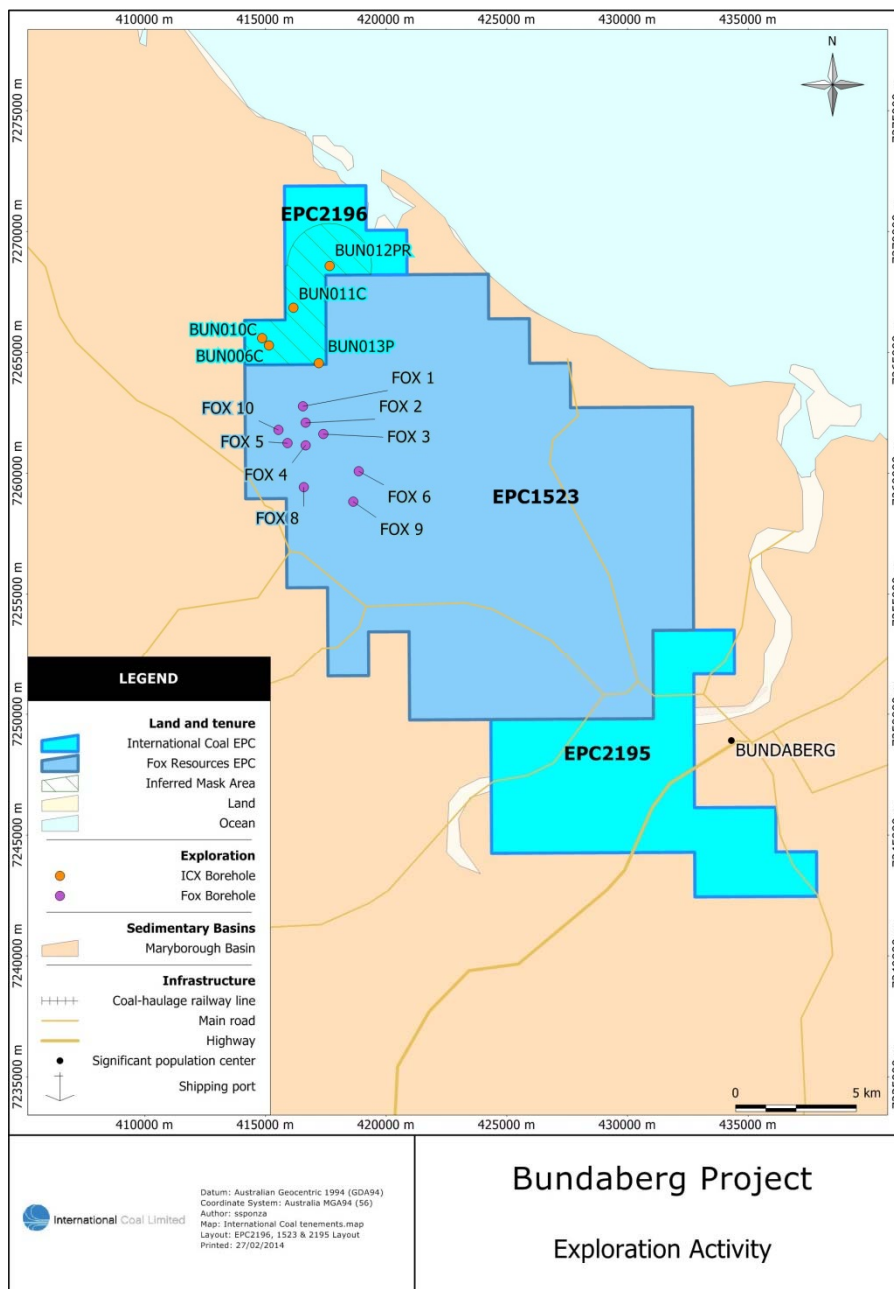


Figure 1: Location of the Fox and International Coal tenements north of Bundaberg.

The data sharing arrangement paves the way for further cooperation between the two companies on the development of the project.

Mr Glenn Simpson Chief Executive Officer of ICX said, “The project has great potential and continues to deliver strong results. Our next step will be to refine our understanding of our resource, the resource potential in the region and move toward conceptualizing the opportunity it presents. Having a strong relationship with Fox Resources will ensure we maximize that opportunity and makes perfect sense for the potential development of the area”.

The Bundaberg project hosts a significant Inferred Resource of highly sought after hard coking coal within EPC2196 and a resource is expected to be estimated on EPC1523 as soon as the data from the recently completed drilling program is compiled.

The two companies have agreed to work together to develop the resource at Bundaberg held under EPC 1523 (Fox Resources 100%) and EPC 2196 (International Coal Limited 75%; Queensland Coal Investments 25%). International Coal Limited has also reached an agreement with Queensland Coal Investments (QCI) to take over the management and operation of EPC 2194, 2195 and 2196 with QCI remaining at a 25% stake in the project.

Summary

The cooperation between International Coal and Fox Resources will ensure the resource potential at Bundaberg is maximized. The Board and Management of both companies look forward to working together to further develop this outstanding project.

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About Fox Resources

Fox Resources (ASX: **FXR**) is an exploration company with substantial exploration interests in the Queensland Coal region and the Pilbara region of Western Australia.

Fox is focused on exploring its Bundaberg Coking Coal Project in southeast Queensland as well as its extensive package of base metals tenements in the Pilbara region of Western Australia. At Bundaberg, Fox is currently drilling a planned seven hole program with the aim of defining a premium hard coking coal resource.

Fox Resources has acquired 100% interests in 16 granted coal exploration tenements (EPCs) and a single EPC application previously held by Currawong Coal Pty Ltd, a joint venture of Cliff's Natural Resources Pty Ltd, Conarco Minerals Pty Ltd and XLX Pty Ltd.

Fox's Western Australian exploration programme also covers a number of prospective base metal and gold targets, Radio Hill, Sholl and Ayshia deposits, and the Pilbara Minerals tenements. In the Pilbara, Fox is aiming to discover high-grade base metal resources to enable its Radio Hill processing plant to resume production.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Fox Resources Limited's (Fox) planned exploration program 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.