



26 June 2009

ASX / Media Announcement

FOX OPENS SHARE ENTITLEMENT OFFER

Highlights:

- **Entitlement offer to shareholders to raise up to \$13.1 million.**
- **Strong progress at Fox's base metals and iron ore projects continues.**

Pilbara-based minerals developer Fox Resources (ASX: FXR) has opened its shareholder entitlement offer to raise up to approximately \$13.1 million from the issue of up to approximately 101 million shares at 13 cents per share.

Shareholders are being offered one share plus one free attaching option for every two shares they hold in Fox. The options are exercisable at 30 cents each and expire on 30 November 2010.

Fox Resources Executive Chairman, Terry Streeter, said the Fox Board has a long term positive outlook for steel feed minerals for which Fox Resources is well positioned.

"Fox is particularly well positioned to capitalise on long term commodity demand and the wave of strategic acquisitions and consolidation taking place among the Pilbara miners and explorers."

"As a major shareholder in Fox, I intend to participate in the offer and I anticipate that Fox's other major shareholders will also participate," said Mr Streeter.

Funds will be used to drive ongoing exploration programs at Fox's base metal and iron ore projects in the Pilbara with the intention of increasing Fox's current resource base, as well as to continue promising heap leaching testwork at the Radio Hill nickel and copper mine. The funds will also be used for repayment of creditors and general working capital.

The offer, if fully subscribed, will conclude a \$16.5 million capital raising program which commenced in April this year with a \$3.4 million share placement. This is expected to significantly strengthen the company's balance sheet and allow it to maintain the momentum of its aggressive exploration and development strategy, which promises to deliver value for shareholders.

Recently commissioned metallurgical test-work has confirmed the potential for a successful heap leaching operation using existing stockpiles and oxide resources from Fox's Whundo and Radio Hill mines.

Fox Resources Managing Director, Bruno Seneque said the potential heap leaching operation represents a low cost opportunity for Fox to produce high value end products.

"If successful, this could provide the basis for a highly profitable five year operation."

“We believe there is also potential to use heap leach infrastructure to treat known sulphide resources at the Radio Hill and Whundo projects in the future,” said Mr Seneque.

Fox also continues to progress its Mt Oscar iron ore project. The Company announced an initial inferred magnetite iron ore resource¹ of 72.4 million tonnes @ 34% Fe in March this year, less than a year after the tenements were granted. Fox has an exploration target of between 800 million tonnes and 1.2 billion tonnes² based on the 8km of strike length yet to be drilled along with geophysics, field mapping and reconnaissance by Fox staff.

A scoping study on the Mt Oscar project has been recently completed, with the independent consultants, Mineral Engineering Technical Services Pty Ltd, who completed the report, declaring that the project has a great potential to be a successful project.

The entitlements offer is currently scheduled to close on 14 July 2009.

About Fox Resources

Fox Resources is a nickel focused metals developer, with a substantial resource footprint in the world-renowned Pilbara region. Fox’s Radio Hill project has been producing and shipping nickel and copper concentrate for more than four years. It was placed on care and maintenance during 2008 following adverse movements in nickel prices.

The project offers the advantages of established infrastructure, including a new 84 man village, a 425,000 tonne per annum nickel processing plant, a fully developed underground mine at Radio Hill and concentrate storage facilities at the Port of Dampier, 40km from the Radio Hill Mine. The concentrates produced at Radio Hill are also high value due to their low levels of magnesium oxide and arsenic.

Fox Resources has an off-take arrangement in place with marketing partner Jinchuan Group Limited - China’s largest producer of nickel, and a major Fox Resources shareholder. The Company has also the benefit of a highly experienced Board and management team, with particular expertise in the development of major nickel projects.

The Company is also advancing its substantial Mount Oscar magnetite project in the Pilbara, where it has previously announced an initial inferred JORC resource estimate of 72 million tonnes grading 34% Fe (ASX announcement dated 18th March 2009). A recently completed Scoping Study has described the project as positive with great potential for success and has recommended proceeding with Pre-Feasibility studies.

- ENDS -

For further details please contact:

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¹ A full resource statement for the Mount Oscar project is contained in ASX release by Fox dated 18th March 2009.

² 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.

IMPORTANT NOTICE

This letter contains forward-looking statements that, despite being based on Fox's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Fox and its Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and assumptions include but are not limited to the risks outlined in section 6 of the enclosed prospectus. Forward-looking statements include those containing such words as "anticipate", "estimate", "opportunity", "plan", "intend", "aim", "seek", "believe", "should", "will", "may" or similar expressions.

The following statement is included for the purposes of section 734(6) of the Corporations Act:

- *Fox is the issuer of the securities mentioned in this letter;*
- *a prospectus for the offer is available and is enclosed with this letter;*
- *the offer of the securities mentioned in this letter is made in the prospectus and the entitlement and acceptance form accompanying the prospectus;*
- *you should consider the prospectus in deciding whether to acquire the securities and in particular, you should carefully read section 6 of the prospectus that identifies some key risks of investing in securities in Fox; and*
- *any person that wants to acquire the securities will need to complete the entitlement and acceptance form accompanying the prospectus.*

DISCLAIMER

The Information in this report that relates to Mineral Resources is based on previous announcements made by Fox Resources to the ASX. A full resource statement for the Mount Oscar project is contained in ASX release by Fox dated 18th March 2009.

COMPETENT PERSONS STATEMENT

The Exploration information in this report 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 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'. 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.