

FOX'S GOLD PROSPECTS STRENGTHEN; SIGNIFICANT GOLD-COPPER SOIL ANOMALIES IDENTIFIED AT RAILWAY BORE

- Three individual gold in soil anomalies discovered at Fox's Railway Bore prospect with values up to **1070 ppb (1.1g/t)**
- Gold located in association with anomalous copper with values up to 1050 ppm
- Recent sampling identifies potential new prospect (2km NE of Railway Bore) with gold in soil values up to **241 ppb and associated copper anomalism**
- Gold-copper association suggests an auriferous quartz vein system typical of Pilbara gold mineralisation

Fox Resources Limited (ASX: FXR) today announced positive results of an augur soil-sampling programme undertaken on the 100%-owned Railway Bore prospect (E47/1223) in the Pilbara of Western Australia.

The new greenfields prospect, Railway Bore, lies to the southwest of the East Well gold prospect, approximately 12km southeast of Radio Hill (Figure 1).

Today's results confirm three areas anomalous in gold with coincident or associated anomalous copper values that warrant further investigation.

Fox's Managing Director, Mr Bruno Seneque, said he was very encouraged by these new results, which continue to confirm the potential of gold in Fox's tenements.

"The presence of robust, untested geochemical anomalies in close proximity to Radio Hill is particularly encouraging," said Mr Seneque.

"It's exciting to have the potential to add gold to our portfolio of mineral assets at such an opportune time," he said.

"Importantly, we didn't purposely go out and purchase these gold opportunities, much like Mt Oscar – it's an unveiling of the mineral rich west Pilbara."

Railway Bore has been an area of prospector activity with an appreciable amount of gold being won from the prospect earlier this year, but the true gold potential of the Railway Bore area was only recently identified from the re-assaying of regional soil samples for gold.

Fox's aim is to build up a geological understanding of the area to identify drilling targets. Future work will include a more detailed review of the geological datasets in the area, together with a more extensive and detailed mapping and sampling programme to potentially identify new zones of mineralisation.

Exploration License E47/1202 (Mt Regal)

Fox has also recently undertaken orientation soil sampling at the Mt Regal project, 18 kilometres NW of Railway Bore (Figure 1) which was the focus of a recent metal detector gold rush. Samples were collected over three areas, which have been the subject of significant prospector activity.

Fox undertook orientation sampling to establish where the gold was occurring in the regolith profile and to determine which would be the most effective sampling method to use in this area. The programmes approach included collecting a sample at the surface and another at the bedrock interface.

Over 25% of the 126 samples collect returned anomalous gold values above 10 ppb to a maximum of 344 ppb.

A correlation exists between anomalous gold values at the surface and at the bedrock interface. This observation provides Fox with increased confidence that the gold relates to a primary bedrock source.

A reconnaissance sampling programme similar to that undertaken at Railway Bore is being planned for Mt Regal and will commence as soon as is practicable.

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ABOUT RAILWAY BORE

Historical Survey

In 2007, Fox conducted a regional survey of the area as part of first pass reconnaissance to identify additional volcanic-hosted mineralisation along strike from the zinc-copper deposits at Whundo (Figure 2).

An initial wide spaced 500 x 30 metre soil sampling programme was completed over the Railway Bore prospect area. The survey results returned several isolated gold anomalies, assaying up to 1070ppb (1.1g/t).

A review of the analytical data revealed that the detection limit of the gold analysis method used was too high and consequently the samples were recently submitted for re-assay. From the repeat assay results with the lower detection limits it became apparent the high values were not isolated single point occurrences but potentially are part of more extensive anomalism.

Significance of Today's Results

In October 2009, Fox decided to conduct a follow-up auger soil sampling programme to better define the pre-existing anomalies at the Railway Bore prospect (Figure 2).

A 500 sample, infill auger soil-sampling programme, which reduced the sample spacing down to 125m x 30m, was completed over anomalous gold areas of the regional grid. The NE corner of the original grid was also extended to close off anomalous gold samples with values up to 64ppb, occurring at the end of a line.

Prior to the follow-up soil sampling results, prospecting was undertaken around the highest gold in soil values, which identified outcropping quartz veins and mineralised float. A sample of the latter material returned values up to **3.8 % copper and 5.5g/t gold**.

While the initial survey (2007) identified numerous areas anomalous in gold, the recent survey indicated many of the (2007) samples reflect alluvial rather than bedrock gold occurrences.

A recent review of the combined geochemical datasets, revealed the following features:

- Coincident Au-As-Te-Bi-W anomaly and;
- Coincident and spatially associated Au and Cu anomalies.

The Company believes that these elemental associations potentially reflect bedrock gold and base metal mineralisation occurrences. Bedrock gold is associated with the more traditional-style gold mines in Australia.

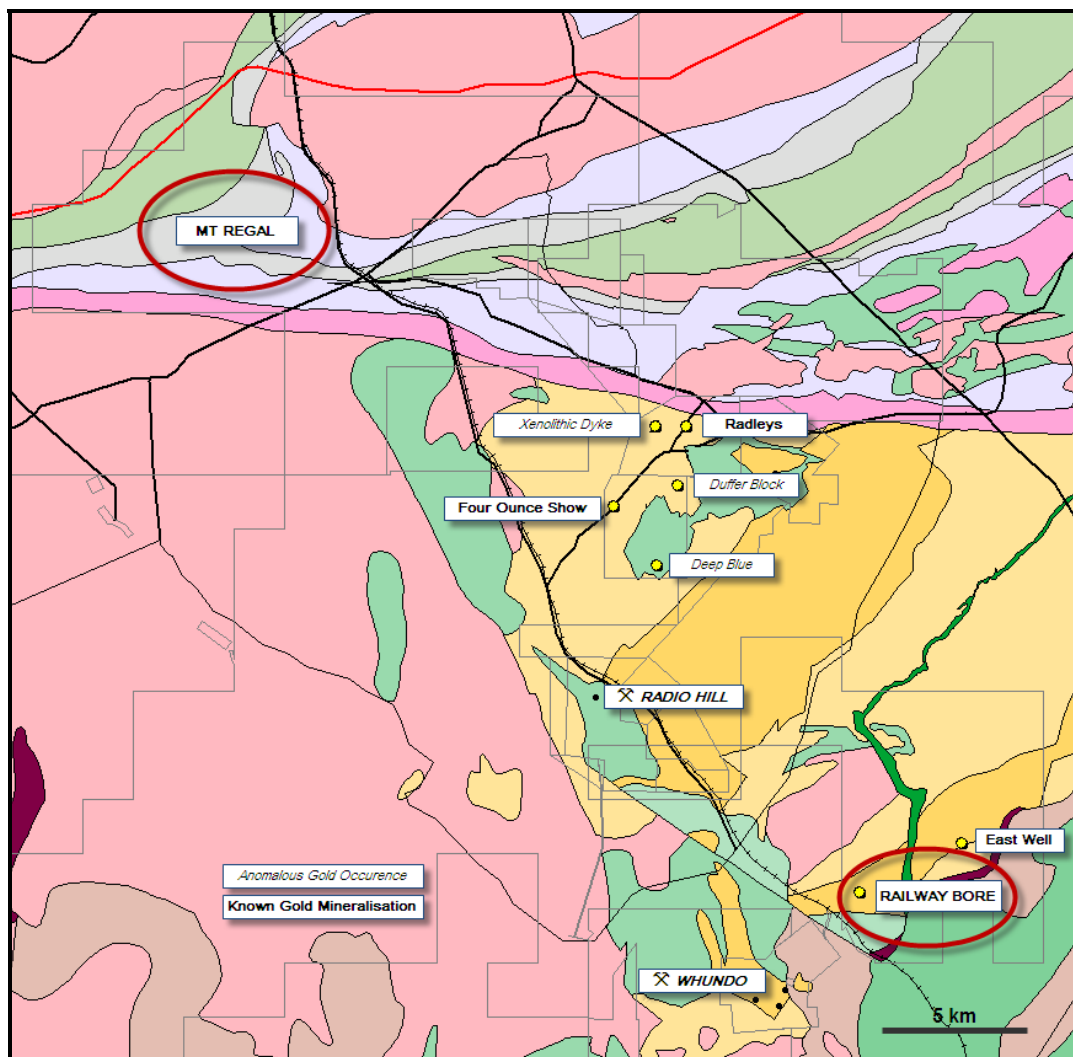


Figure 1: Location of Railway Bore and Mt Regal with respect to each other, the mining centres at Whundo and Radio Hill and other gold prospects on Fox's tenure.

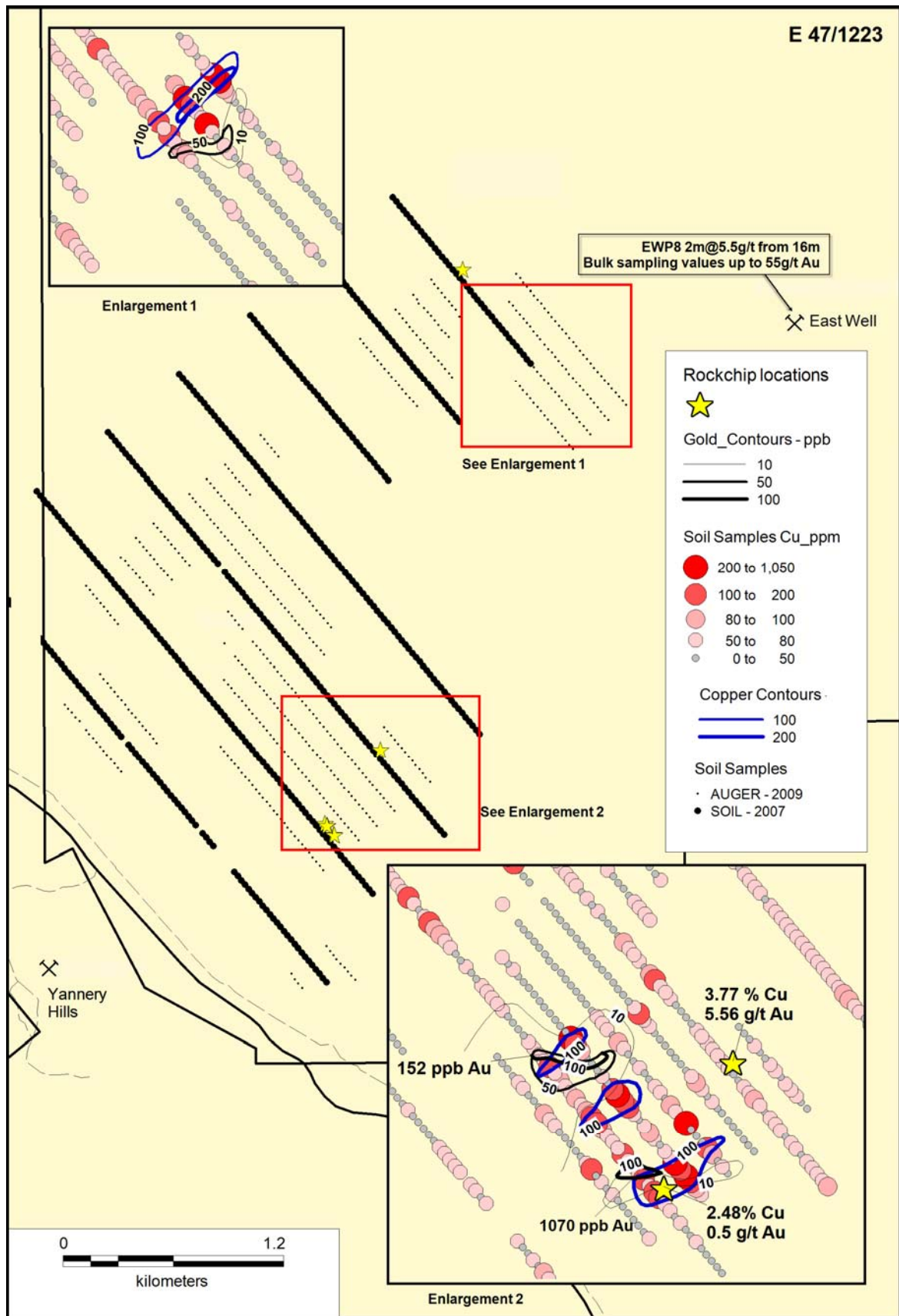


Figure 2: Location of the 2007 and 2009 soil sample locations at Railway Bore. Inserts illustrate the three significant gold-copper anomalies.

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 Mount Oscar magnetite project continues to draw significant interest from potential investors, including state-owned entities and private companies. In March 2009, Fox announced an initial inferred JORC resource estimate of 72 million tonnes grading 34% Fe and an exploration target of between 800 million tonnes and 1.2 billion tonnes¹. A scoping study at Mount 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

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.

¹ 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.