



## **FOX BOARD GIVES HEAP LEACH PLANS THE GREENLIGHT & ANNOUNCES A RETURN TO PRODUCTION IN 2010**

- **Fox to return to nickel and copper production at Radio Hill**
- **Using a low cost heap leach production alternative**
- **The decision is based on successful column recoveries, high value end-products and very attractive cash flow projections**
- **Aim of commissioning in the second half of CY 2010, with a minimum target of 5 years mine life**
- **Snowden engaged to develop mine plans for heap leach material year two and beyond**

**Fox Resources Limited** (ASX: FXR, Fox) is pleased to announce it will commence the development of a base metals heap leaching operation at Radio Hill, located in the Pilbara of Western Australia.

The Company's aim is to develop an initial five-year mine life with commissioning expected to occur in the September quarter of 2010.

In May 2009, Fox announced that metallurgical testwork was underway to explore the possibility of a new heap leaching operation. In September 2009, the total mineral resources at Radio Hill increased by 307% from 988,000 to 4.02Mt @ 0.51% nickel and 0.89% copper (as announced to the ASX on 23 September 2009).

The testwork was originally expected to take up to 12 months to complete, but based on the most recent successful column recoveries of nickel, copper and cobalt metal and production of high value end products (Figure 1) the Company has decided to proceed with plans to return to production.

This development represents a new approach to the Company's assets, with cost savings of approximately \$16 million expected in year one due to the absence of mining and crushing required for material stockpiled on surface. Surface material is estimated to contain 4,000 tonnes of nickel metal and 4,000 tonnes of copper metal.

Fox Resources' Managing Director, Mr Bruno Seneque, said the heap leaching operation is very economical with minimal environmental impact.

"Today's milestone represents an exciting new growth phase for Fox," said Mr Seneque.

The Company's existing infrastructure is expected to speed up construction of the back-end processing plant.

Snowden Mining Industry Consultants (Snowden) have been engaged to develop a mining plan for the Radio Hill orebody for the second year of production onwards.

### **Additional Resources Available**

There also exists the potential to utilise disseminated resources available from the Sholl complex (Sholl B2, B1, and Razerline), which has the potential to increase mine life beyond five years.

Disseminated ore from Fox's Sholl deposit was 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%, rising to approximately 90% following re-stacking of the heap.

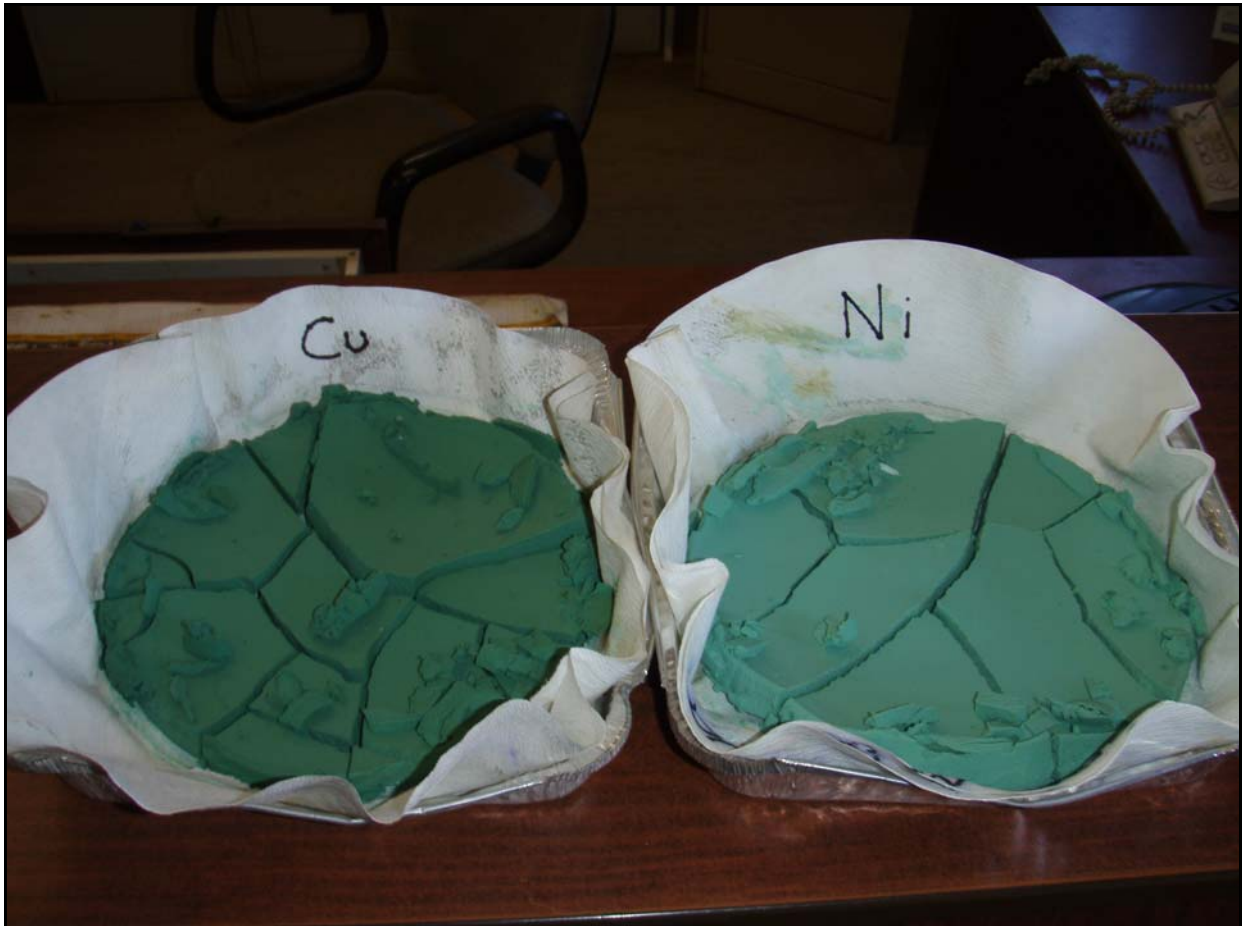
Work has commenced at the Sholl resource with a view to increasing mine life further.

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**Figure 1. Copper hydroxide and Nickel hydroxide high value end products produced at the Radio Hill laboratory from recent column testing.**

## 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 tonnes<sup>1</sup>. 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.

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<sup>1</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.