



\$3M PLACEMENT SUCCESSFULLY COMPLETED

Fox Resources Limited (ASX: FXR, Fox) today announced the completion of a capital raising to progress the development of the Company's heap leach operations at Radio Hill, located in the Pilbara of Western Australia.

The placement represented 15 million shares at a price of 20 cents to institutional and sophisticated investors, raising \$3.0 million (before issue related costs) pursuant to Section 708 of the Corporations Act 2001. The response to the placement was strong, with Fox receiving offers for well in excess of the shares available.

Fox is forecast to return to production of nickel and copper in the third quarter of 2010 after receiving a green light from the Company's board earlier this month.

Fox Resources' Chairman, Mr Terry Streeter, welcomed the strong response as a reflection of rising investor confidence in the progress being achieved within the Company's project portfolio in the Pilbara.

"We're entering the New Year in a much stronger position than last year at this time and the funds received today will enable us to advance our heap leach plans," said Mr Streeter.

The proceeds of the raising will be used to:

- Progress the development of the heap leach operation
- Continue drilling to define further base metal resources in Fox's expanding resource inventory
- Provide general working capital

More than 300,000 tonnes of stockpiled material exists which will provide the basis for an initial five-year heap leaching operation utilising nickel-copper resources at Radio Hill and Sholl B2. Supporting this objective is the Company's existing infrastructure including power, water, workshops, accommodation camp and other relevant facilities.

"This is just one step among several we have planned in the coming months, during our pathway back to production," he said.

"It's busy times ahead for Fox with momentum gaining every day in relation to our advancing heap leach operations, opportunities for the Mt Oscar iron ore project, new gold exploration and a growing resource inventory."

Fox is currently exploring an additional, non-dilutive funding arrangement to cover the balance of the estimated capital expenditure associated with the Company's return to production.

Further to Fox's request for a voluntary suspension pending completion of the raising, the Company requests that the ASX reinstate its ordinary shares pursuant to ASX Listing Rules 17.7 with immediate effect.

-ENDS-

For further information, please contact:

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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.

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

APPENDIX:

Radio Hill Mineral Resource Table

Envelopes	Effective cut-off grade	Category	Tonnes (t)	Ni %	Cu %
Ni envelopes		Indicated	950,000	0.8	1.13
		Inferred	530,000	0.69	0.92
Sub total	0.5% Ni	Indicated and Inferred	1,480,000	0.76	1.05
Cu envelopes		Indicated	1,020,000	0.44	0.97
		Inferred	1,510,000	0.32	0.67
Sub total	0.5% Cu	Indicated and Inferred	2,540,000	0.37	0.79
		Indicated	1,980,000	0.61	1.04
		Inferred	2,040,000	0.42	0.73
Total resource		Indicated and Inferred	4,020,000	0.51	0.89

Note: tonnage values are rounded to the nearest 10,000 for reporting purposes.

COMPETENT PERSON 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.