



23 April 2007

ASX/Media Announcement

## **FOX SIGNS HEADS OF AGREEMENT WITH LEGEND**

Fox Resources Limited (“Fox”) (ASX: **FXR**) today announced that it has signed a Joint Venture Heads of Agreement (JV) with Armada Mining Limited, a wholly owned subsidiary of Legend Mining Limited (ASX: LEG).

A prime objective of the new joint venture is to take advantage of versatile time-domain electromagnetic (VTEM) geological survey in the area. Recent VTEM surveys conducted by Fox outlined a number of promising anomalies within 10km of the Radio Hill processing plant (Razerline, Zodiac, Sunchaser, Conquest, Bertram and Carver). Fox recently announced an intersection of 36m of massive sulphides at the Conquest target (March 30).

Under the new JV agreement, Fox will maintain exposure to base metal discoveries in the region, where Legend is earning up to 70% interest in the tenements. Legend will be required to spend \$500,000 within the next 36 months to earn up to 70%.

Fox Managing Director Mr Don Harper said given the high number of targets that need to be tested in Fox’s 100%-owned tenements and other very exciting exploration opportunities coming up, the JV provided a spreading of exploration risk outside our core area and will advance the Company’s growth objectives in the region.

“I believe the Pilbara is shaping up as a classic VMS district, but it’s a very large area to aggressively explore,” Mr Harper said. “By entering a joint venture with Legend, Fox can potentially reap the benefits of any further discoveries through our strategically located processing plants at Radio Hill and Elizabeth Hill.”

“We have other substantial projects in the pipeline which will require additional exploration commitment and this agreement will materially increase our exploration program at no cost to Fox.”

Initially, Legend may spend \$300,000 to earn a 40% interest in the tenements within 24 months of the grant of the tenements. Once the earn in period is complete, both parties may elect to contribute or dilute as the case may be, with the majority equity holder being the manager and the JV governed by an operating committee.

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## **About Fox Resources**

Fox Resources (ASX: FXR) is an Australian diversified explorer and producer with nickel, copper and zinc projects. Fox has strong customer relationships in China.

Exploration over Fox's highly prospective 1,000km<sup>2</sup> of regional ground has been focused within the 15km radius of the recently upgraded Radio Hill plant. The addition of a second ball mill to increase milling capacity is expected to significantly boost the Company's revenue generation capability over the next two years.

Fox's growth strategy is to link exploration success to near-term production at its Radio Hill plant for nickel and the recently acquired Elizabeth Hill plant for base metals. Fox's success at its VTEM targets Sunchaser, Conquest, Bertram and Carver will drive the cost of expansion at Elizabeth Hill.

Fox is targeting a five year mine life for its nickel business (Radio Hill Mill) and a five year mine life for its base metals business (Elizabeth Hill Mill). The existing mining reserve at Radio Hill enabled Fox to swiftly move back into nickel production and benefit from record level prices while at the same time working up its base metal resources around Elizabeth Hill.

Exploration over Fox's highly prospective 1,000 sq km of regional ground has been focused within the 15km radius of the Radio Hill plant. The Company has proven up several deposits within this area, lowering the threshold for development of these projects. The projects include Ayshia (zinc-copper), Shelby (copper), Austin (copper-zinc) and Sholl (nickel-copper-cobalt).

Fox has an excellent opportunity to maximise production opportunities through its recently upgraded and centralised treatment facility at Radio Hill.