

PHASE 1 EXPLORATION & WEST WHUNDO COPPER FEASIBILITY UPDATE

HIGHLIGHTS

- **Encouraging copper drill intercepts at Yannery where drillhole YNRC004 intercepted 3m @ 6.1% copper, 40m below surface, including 1m @ 9.5% copper which confirms mineralisation below the old workings**
- **Drill intercepts confirm northern extension to the West Whundo JORC resource with WHRC159 intersecting 3m @ 4.8% copper, 53m below surface**
- **Drilling underway at the new shallow ASHYIA zinc discovery testing the strike and extent of mineralisation, where the previously announced drillhole AYRC006 intercepted 14m @ 10.4% zinc including 2m @ 26.3% zinc from 37m below surface**
- **West Whundo independent metallurgical testwork delivers excellent copper recoveries in excess of 80% and marks the final component of the Feasibility Study**
- **Mining on track to start in early April 2006**

Fox Resources Limited ("Fox") (ASX code FXR) is pleased to announce further drill success at the company's Whundo Copper-Zinc Project where assays (Table 1) have been returned from drill holes testing the Yannery Anomaly (Figure 1) and the West Whundo north extension (Figure 2) as part of the Phase 1 drilling program announced on 10 January 2006. Significant drill intercepts include:

YANNERY

- **3m @ 6.1% copper; YNRC004 ... from 40m below surface including 1m @ 9.5% copper ... from 41m below surface**
- **1m @ 3.2% copper; YNRC005... from 43m below surface**

Drilling has targeted down plunge extensions to the old Yannery underground mine. Ten drillholes for 892m were drilled as a first pass. Initial results are very encouraging with intercepts proving the mineralisation is open to the north. The geometry of the ore body is yet to be confirmed with several holes missing the hinge of a north plunging fold structure. Further drilling will be based on an assessment and interpretation of the fold structure once all geology and assays are collated. This is a very positive first up exploration result for Yannery.

WEST WHUNDO NORTH EXTENSION

- **3m @ 4.8% copper; WHRC159 ... from 53m below surface**
- **2m @ 3.5% copper; WHRC158 ... from 47m below surface**

Drilling to the north of the West Whundo JORC Resource has extended the high grade copper mineralisation (Figure 2) with a subsequent increase in resource. The drilling comprised of four holes for 240m which closed off the shallow supergene northern zone. Further drilling is planned to define the deeper zinc zone pending a successful underground mining economic assessment as announced in the December 2005 quarterly.

Drilling will also test for mineralisation to the north east of West Whundo (Figure 2). This area is towards the larger AUSTIN Anomaly (Figure 1- previously called Whundo) and will be drilled as part of the upcoming Phase 2 drilling program.

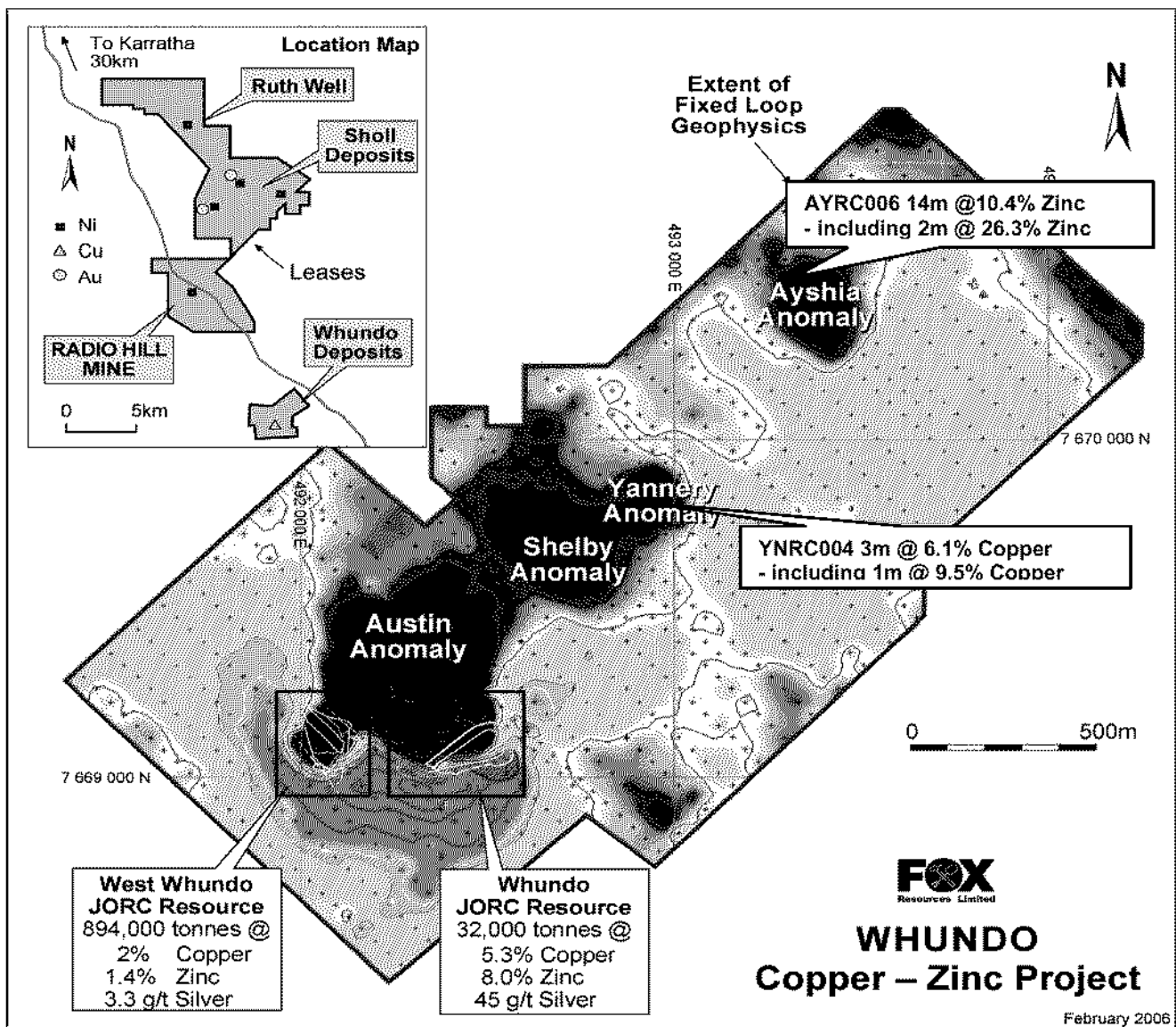


Figure 1

AYSHIA

A Reverse Circulation (RC) drill rig is currently on site testing the strike and dip extensions of the new AYSHIA zinc discovery announced on 23 February 2006 where **AYRC006 intersected 14m @ 10.4% zinc from 30m below surface** (Figure 1). After AYSHIA is drilled, the RC rig will be relocated to test the deeper Austin and Shelby (Figure 1) anomalies as part of the Phase 2 drilling program. Drill results from AYSHIA will be released as they come to hand.

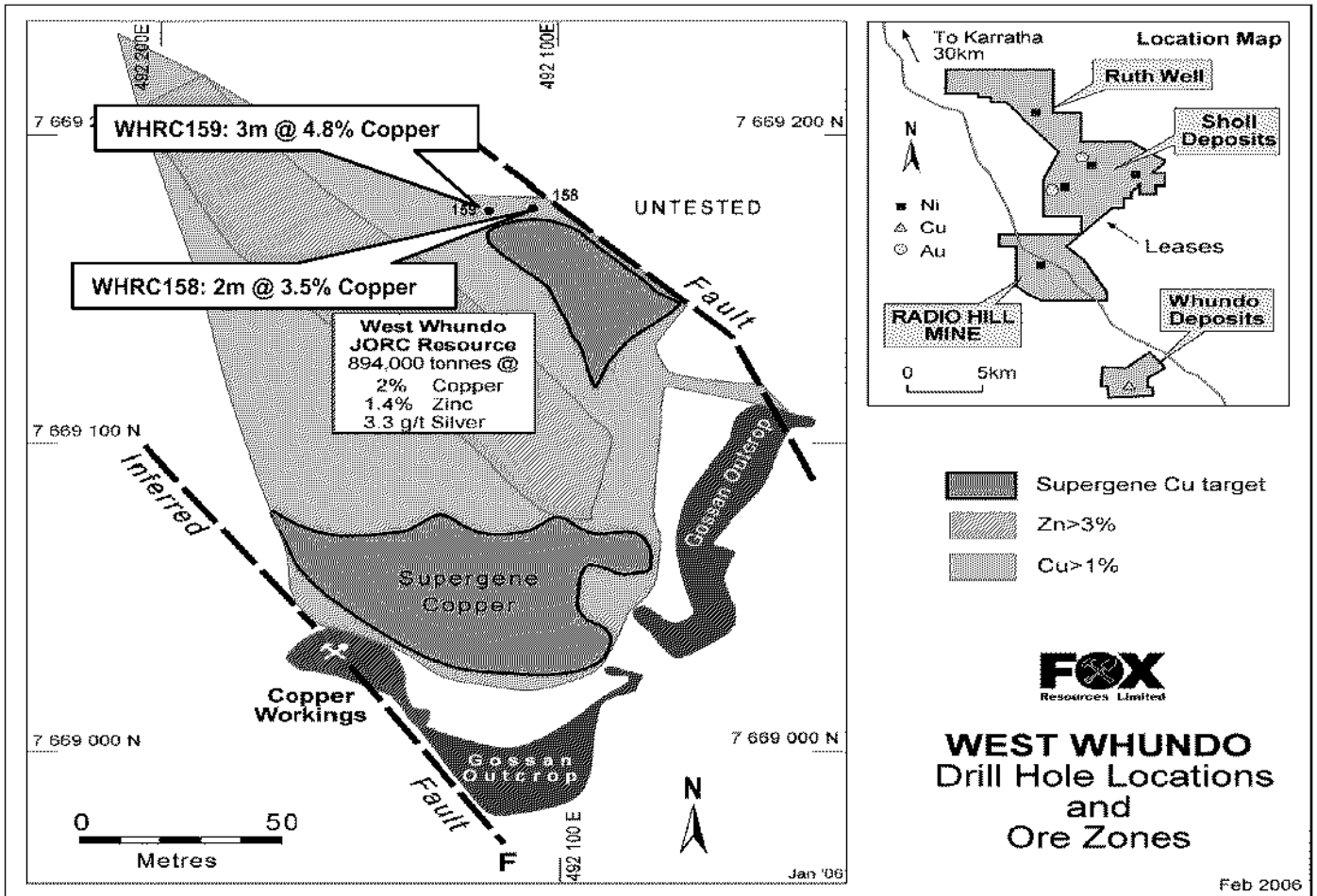


Figure 2 – West Whundo North Extension Drilling

WEST WHUNDO COPPER FEASIBILITY STUDY UPDATE

As previously announced in the December 2005 quarterly, metallurgical testwork to determine the optimal process route to recover copper from West Whundo ore has now been completed independently. Fox is pleased to announce that metallurgical tests have proven that the supergene copper ore can be treated using the conventional flotation process currently being employed at the Radio Hill processing mill.

A copper concentrate grade greater than 20% can now be achieved with an excellent recovery in excess of 80%. This successful metallurgical testwork marks the final component of the Feasibility Study (FS) which will now enable the all important ore reserve calculations to be completed.

Notwithstanding the metallurgical success to date, additional tests are still ongoing using a magnetic separation method to further upgrade the copper concentrate grade from 20% to above 30% copper. These results are expected to be completed in April 2006.

Subject to the Fox Board's review of the completed Feasibility Study, mining is on track to commence in early April 2006.

"Success at AYSHIA and YANNERY validates the geophysics in the area and gives encouragement for achieving success at the other deeper and larger anomalies namely AUSTIN and SHELBY which will be targeted in the Phase 2 drill program" Don Harper Managing Director said.

ABOUT FOX RESOURCES LTD

NICKEL, COPPER & ZINC – Radio Hill, Sholl & Ruth Well

Fox is a Top Ten Australian nickel sulphide producer which operates the Radio Hill Nickel Sulphide Mine, located near Karratha in W.A. Fox's nickel and copper concentrate production is shipped monthly to China's largest nickel producer, Jinchuan Limited. A feasibility study has commenced into mining and heap leaching of the disseminated nickel resources at Radio Hill and the surrounding Sholl deposits. These deposits contain 40,000 tonnes of nickel and 50,000 tonnes of copper and on successful completion of the study, Fox aims to commence production in 2007.

GOLD – Star of Mangaroon, Four Ounce Show, and Radleys gold deposits

The Star of Mangaroon Gold Mine is located 170 km north of Gascoyne Junction and 250 km northeast of Carnarvon, in the Gascoyne Mineral Field. The deposit was discovered in 1956 with underground production between 1960 and 1983 of 7,464 ounces of gold from 5,357 tonnes of treated ore (average grade of 34.8g/t gold). Fox holds the lease on which the deposit is located, as well as a surrounding lease application giving Fox a tenement holding of 65km². Fox is currently assessing joint venture opportunities.

The Four Ounce Show and Radleys gold deposits are situated on a mining lease approximately 12km from the Radio Hill Mine in the Pilbara. This tenement hosts a number of gold-bearing systems where previous exploration outlined a preliminary resource in excess of 36,000 ounces to a depth of 50m. The mineralisation is mainly open in all directions. An additional promising gold prospect is East Well where previous drilling intercepted 2 m at 5.5 g/t gold. Assays of up to 50 g/t gold were obtained from rock chip sampling over a strike length of 800 m.

For further details, please contact:

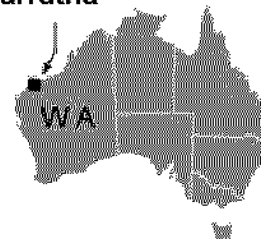
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The information in this report that relates to exploration results, mineral resources or ore resources is based on information compiled by Mr Ed Mead who is a full-time employee of the company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Mead 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 Mead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1: Yannery & West Whundo RC Drilling , Significant Assay Results

Yannery Significant Drill Intercepts

hole_id	Metres	Zn %	Ag g/t	Cu %	Au g/t	Pb %	From	To
YNRC003	17	1.2	2	1.1	-	-	69	86
Including	6	2.4	2	1.0	-	-	69	75
YNRC004	3	-	6	6.1	-	-	40	43
Including	1	-	11	9.5			41	42
YNRC005	1	-	33	3.2	-	-	43	44
YNRC006	No Significant Assays							
YNRC007	Assays Pending							
YNRC008	Assays Pending							
YNRC009	20	0.7	2	0.8	-	-	79	84
Including	5	0.6	2	1.1	-	-	79	84
Including	5	1.6	2	1.1	-	-	92	97
Including	1	3.6	4	1.7	-	-	96	97
YNRC010	Assays Pending							

West Whundo Significant Drill Intercepts

hole_id	Metres	Zn %	Ag g/t	Cu %	Au g/t	Pb %	From	To
WHRC158	2	-	2	3.5	-	-	47	49
WHRC159	3	0.7	3	4.8	-	-	53	56

Collar table

hole_id	Grid_ID	MGA North	MGA East	MGA RI	dip	azimuth	Prospect
WHRC158	MGA94_50	7669170	492098	1101	90	0	West Whundo
WHRC159	MGA94_50	7669170	492093	1101	90	0	West Whundo
YNRC003	MGA94_50	7669810	492967	1144.5	70	20	Yannery
YNRC004	MGA94_50	7669796	492970	1145	55	138	Yannery
YNRC005	MGA94_50	7669777	492967	1144	80	67	Yannery
YNRC006	MGA94_50	7669770	492968	1144	75	82	Yannery
YNRC007	MGA94_50	7669793	492970	1144	67	70	Yannery
YNRC008	MGA94_50	7669799	492968	1144	62	40	Yannery
YNRC009	MGA94_50	7669811	492967	1144	65	125	Yannery
YNRC010	MGA94_50	7669809	492966	1144	90	110	Yannery