

OUTSTANDING SHALLOW HIGH GRADE ZINC DRILL RESULTS CONTINUE AT AYSHIA

HIGHLIGHTS

- **Ayshia, near West Whundo, continues to deliver outstanding shallow zinc drill intercepts with AYRC022 intersecting 18m @ 8.8% zinc, 31g/t silver 48m below surface, including 8m @ 15% zinc and 49 g/t silver**
- **AYRC019 intersected 21m @ 6.5% zinc and 14 g/t silver 60m below surface, including 4m @ 18% zinc and 15 g/t silver**
- **26 drillholes have been drilled at Ayshia with 20 drillholes returning zinc mineralisation, an excellent result to date**
- **Zinc metal prices surge to record highs as LME stockpiles plummet**

Fox Resources Limited ("Fox") (ASX code FXR) is pleased to announce continuing success at Ayshia which is part of Fox's Whundo Volcanic Massive Sulphide (VMS) Copper-Zinc Project where drill holes continue to intersect outstanding shallow zinc mineralisation. The VMS system at Whundo is showing all the signs of being a cluster of mineralised zones as is typical for VMS style mineralisation.

Assays (Table 1) have been returned for drill holes AYRC017 to AYRC026 above the Ayshia Anomaly.

Latest significant drill intercepts include:

- ***18m @ 8.8% zinc, 31g/t silver 48m below surface, AYRC022
including 8m @ 15% zinc and 49 g/t silver***
- ***21m @ 6.5% zinc and 14 g/t silver 60m below surface, AYRC019
including 4m @ 18% zinc and 15 g/t silver***
- ***2m @ 10.2% zinc and 23 g/t silver 96m below surface, AYRC024***
- ***5m @ 7.7% zinc and 48 g/t silver 42m below surface, AYRC020***
- ***7m @ 5.0% zinc and 22 g/t silver 74m below surface, AYRC023***

Drilling is currently outside the geophysical conductor anomaly identified at Ayshia (Figure 1). Drill holes to date have been drilled to the north of a gossan that outcrops at surface. Drill holes will be progressively drilled to the north and towards the centre of the Ayshia anomaly, using a smaller Reverse Circulation (RC) drill rig currently on site.

The arrival of the larger RC drill rig has been delayed due to heavy rains in the Pilbara region of Western Australia but is expected to begin drilling in three weeks time, initially testing above and through the shallow Ayshia Anomaly (Figure 1) and then moving to drill the deeper Austin and Shelby anomalies.

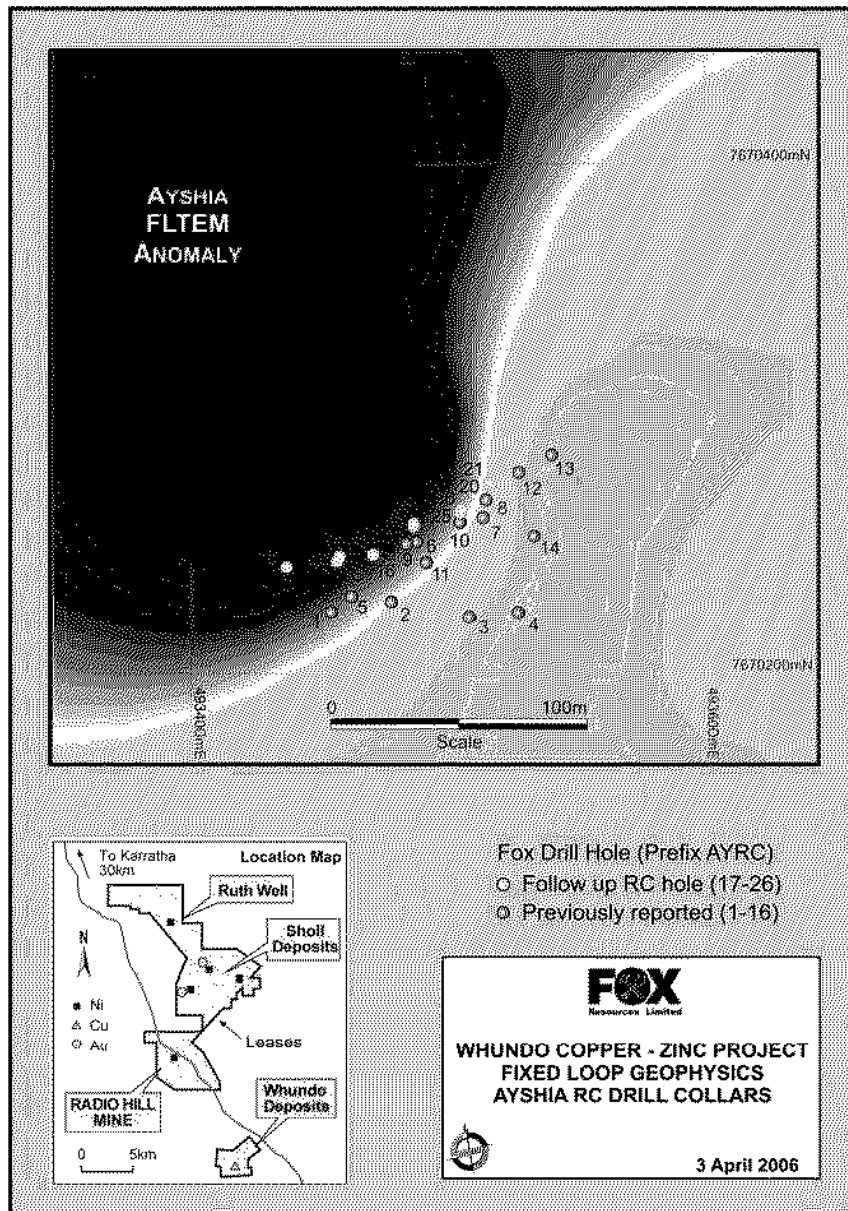


Figure 1 – Drill hole collars at Ayshia

Previously announced on 17 March 2006 significant drill intercepts (Table 1) included:

- 8m @ 12.9% zinc and 33 g/t silver 25m below surface, AYRC011
including 4m @ 16.8% zinc and 42 g/t silver from 26m below surface
- 7m @ 10.5% zinc and 33 g/t silver 36m below surface, AYRC012
including 2m @ 21.3% zinc and 60 g/t silver from 38m below surface
- 12m @ 9.4% zinc and 33 g/t silver 34m below surface, AYRC009
including 1m @ 24.2% zinc and 26 g/t silver from 43m below surface
- 14m @ 10.4% zinc 30m below surface, AYRC006
including 2m @ 26.3% zinc
- 4m @ 5.2% zinc from 33m below surface, AYRC008
including 1m @ 8.5% zinc
- 2m @ 5.0% zinc 29m below surface, AYRC007

Zinc Metal Price and LME Stockpile Levels

Zinc spot metal prices reached a record breaking US\$2,742 per tonne overnight. London Metal Exchange stockpiles continue to decline (Figure 2) as demand increases from a booming Chinese economy. Fox is well placed through the new Ayshia zinc discovery to capitalise on a rising zinc price, forecast to continue into 2007.

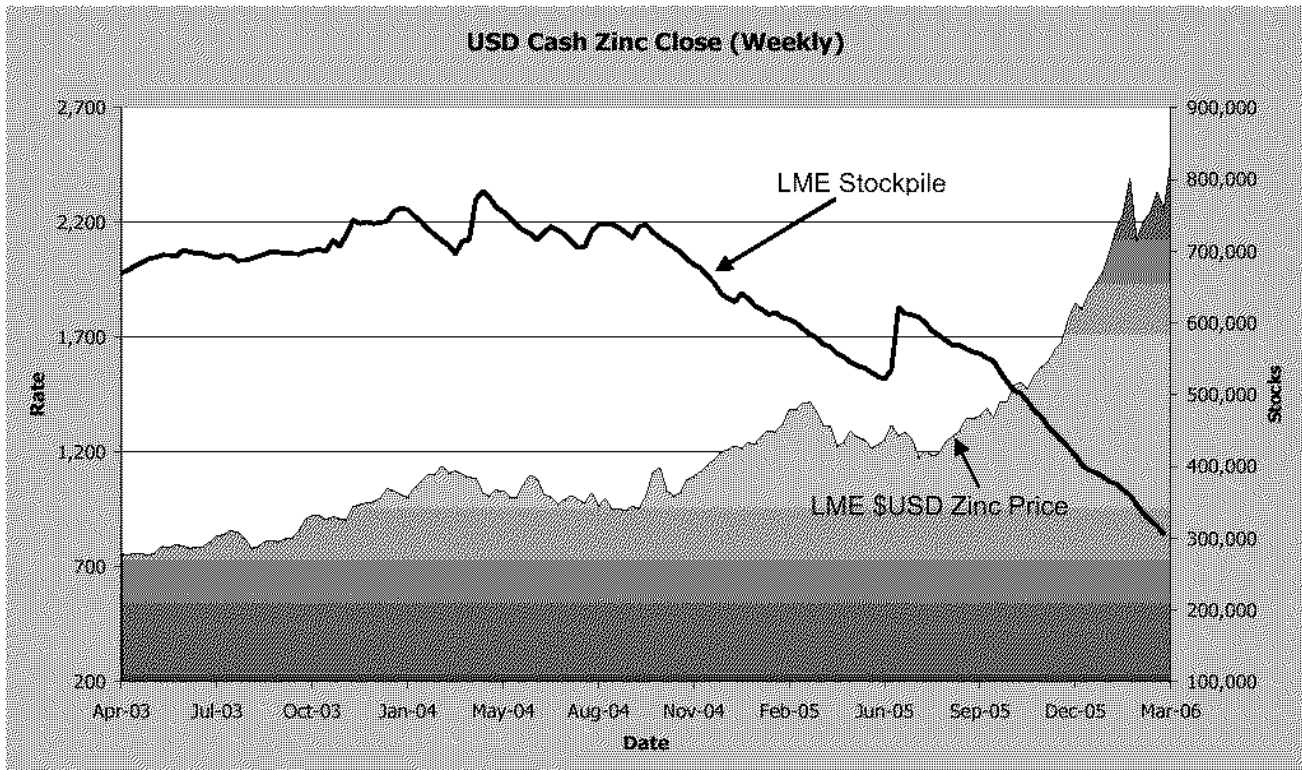


Figure 2 - USD Zinc Prices and LME Stocks

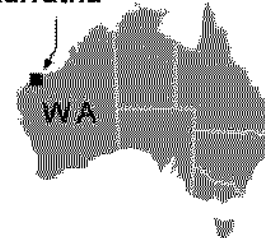
"Ayshia is really starting to shape up for Fox. The shallow and high grade nature of the zinc mineralisation is a real bonus for the Company. We hope the cyclone season has passed so we can really tackle the Ayshia anomaly along with the deeper and larger Austin and Shelby anomalies without any further delays due to weather conditions. The company will continue its focus on remaining unhedged, debt free and maintaining its aggressive exploration program at the Whundo VMS deposits. Fox couldn't have timed exploration success and new project development at West Whundo any better to capitalise on surging copper and zinc metal prices. The upgrade of the crushing circuit at Radio Hill is progressing well and will in turn further enhance increase nickel metal production when complete.. " Don Harper, Managing Director said.

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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: Ayshia RC Drilling , Significant Assay Results

hole_id	Metres	Zn %	Ag g/t	Cu %	Au g/t	From	To
AYRC001	No Significant Assays						
AYRC002	No Significant Assays						
AYRC003	3	0.3	29	0.4	1.0	10	13
AYRC004	No Significant Assays						
AYRC005	No Significant Assays						
AYRC006	14	10.4	32	0.6	0.3	30	44
including	2	26.3	73	1.1	0.4	37	39
AYRC007	4	3.2	35	0.5	0.4	28	32
including	2	5.0	51	0.8	0.7	29	31
AYRC008	4	5.2	43	0.3	0.2	33	37
AYRC009	12	9.4	33	0.6	0.5	34	46
including	1	24.2	26	0.2	0.2	43	44
AYRC010	10	2.3	15	0.1	0.3	27	37
including	1	8.78	23	0.1	0.2	35	36
AYRC011	8	12.9	33	0.6	0.7	25	33
including	4	16.8	42	0.7	0.6	26	30
AYRC012	7	10.5	33	0.3	0.4	36	43
including	2	21.3	60	0.4	0.8	38	40
AYRC013	3	3.5	15	0.2	0.2	40	43
AYRC014	2	1.8	4	0.1	0.1	27	29
AYRC015	No Significant Assays						
AYRC016	7	3.2	57	1.5	1.6	42	56
including	4	5.6	21	0.5	0.7	42	46
including	5	1.2	100	2.6	3.2	48	53
AYRC017	3	1.3	44	2.0	1.4	75	78
AYRC018	No Significant Assays						
AYRC019	7	2.0	9	0.3	0.2	47	54
AYRC019	21	6.5	14	0.5	0.2	60	81
including	4	18	15	0.3	0.2	66	70
AYRC020	5	7.7	48	0.6	0.7	42	47
AYRC021	1	2.1	7	0.1	0.1	58	59
AYRC022	18	8.8	31	0.4	0.3	48	66
including	8	15	49	0.5	0.5	52	60
AYRC023	7	5	22	0.5	0.1	74	81
AYRC023	2	2	6.5	0.1	0.1	86	88
AYRC024	13	3.0	13	0.7	0.2	94	107
including	2	10.2	23	1.3	0.4	96	98
AYRC025	1	2.9	7	0.1	0.1	39	40
AYRC025	1	2.7	18	0.4	0.1	42	43
AYRC025	1	1.7	40	-	-	49	50
AYRC026	1	1.1	29	-	-	8	9
AYRC026	5	3.1	5	-	-	51	56
including	1	9.9	13	-	-	55	56

Table 2: Ayshia RC Drilling , Collars

HOLE ID	MGA94_N	MGA94_E	MGA94_RL	Depth (m)	Dip	Azimuth
AYRC001	7670224.50	493459.01	1102.98	30	-60	180
AYRC002	7670229.10	493481.15	1102.45	30	-60	180
AYRC003	7670223.35	493512.98	1101.88	30	-60	180
AYRC004	7670225.36	493531.77	1101.93	30	-60	180
AYRC005	7670229.71	493465.68	1102.91	60	-90	0
AYRC006	7670251.48	493488.69	1102.63	60	-60	180
AYRC007	7670262.51	493518.02	1101.06	36	-60	180
AYRC008	7670270.42	493517.98	1101.14	60	-90	0
AYRC009	7670251.14	493487.97	1102.50	54	-90	0
AYRC010	7670259.12	493506.53	1101.29	48	-90	0
AYRC011	7670243.51	493493.58	1102.18	42	-80	110
AYRC012	7670278.65	493529.85	1100.91	51	-90	0
AYRC013	7670285.44	493541.33	1100.72	60	-80	50
AYRC014	7670253.99	493535.19	1101.47	42	-90	0
AYRC015	7670243.79	493459.42	1103.80	61	-90	0
AYRC016	7670246.39	493473.41	1102.94	76	-90	0
AYRC017	7670243.79	493459.42	1103.80	117	-75	0
AYRC018	7670241.58	493440.34	1104.371	81	-75	0
AYRC019	7670246.39	493473.41	1102.94	90	-75	0
AYRC020	7670272.878	493517.91	1100.99	75	-75	0
AYRC021	7670273.749	493517.94	1101.075	95	-60	0
AYRC022	7670257.363	493488.82	1102.732	68	-75	0
AYRC023	7670258.3	493488.87	1102.774	96	-60	0
AYRC024	7670245.664	493460.58	1103.582	107	-60	0
AYRC025	7670262.551	493506.83	1101.224	60	-75	0
AYRC026	7670263.599	493506.94	1101.142	72	-60	0