



NOTICE OF GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of General Meeting
Tuesday, 30 April 2013

Time of General Meeting
3.00 pm (Perth time)

Place of General Meeting
Fox Resources Limited
Level 1, 9 Bowman Street, South Perth, Western Australia

This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If you are unable to attend the General Meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

For personal use only

**FOX RESOURCES LIMITED
ACN 079 902 499**

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Fox Resources Ltd ACN 079 902 499 will be held at Level 1, 9 Bowman Street, South Perth, Western Australia on Tuesday, 30 April 2013 commencing at 3.00 pm (Perth time).

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

Resolution 1 – Issue of Shares to Jungle Creek

To consider and, if thought fit, pass the following resolution as an **ordinary** resolution:

“That, for the purposes of Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to issue 14,000,000 Shares to Jungle Creek Gold Mines Pty Ltd at an issue price of \$0.04 per Share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of Jungle Creek Gold Mines Pty Ltd and any of its associates. However, the Company need not disregard a vote on Resolution 1 if:

1. it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 – Approval of prior issue of Shares to Zashvin

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

“That, for the purposes of Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the prior issue by the Company of 41,000,000 fully paid ordinary shares in the Company to Zashvin Pty Ltd as described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by or on behalf of Zashvin Pty Ltd and any of its associates. However, the Company need not disregard a vote on Resolution 2 if:

1. it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – Issue of Shares to Zashvin

To consider and, if thought fit, pass the following resolution as an **ordinary** resolution:

“That, for the purposes of Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to issue up to 9,000,000 Shares to Zashvin Pty Ltd at an issue price of \$0.04 per Share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by or on behalf of Zashvin Pty Ltd and any of its associates. However, the Company need not disregard a vote on Resolution 3 if:

1. it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Issue of Shares to XLX Exploration

To consider and, if thought fit, pass the following resolution as an **ordinary** resolution:

“That, for the purposes of Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to issue 16,628,440 Shares to XLX Exploration Pty Ltd as part consideration for the acquisition of the Company’s Queensland Coal Assets on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by or on behalf of XLX Exploration Pty Ltd and any of its associates. However, the Company need not disregard a vote on Resolution 4 if:

1. it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Please note defined terms used in Resolutions 1 to 4 have the meanings set out in the glossary of the Explanatory Memorandum accompanying this Notice of Meeting.

By Order of the Board



Mr Bruce Garlick
Company Secretary
Fox Resources Limited
28 March 2013

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NOTES

Entitlement to Vote

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Company determines that persons who are registered holders of Shares at 5.00 pm (Perth time) on 28 April 2013 will be entitled to attend and vote at the General Meeting. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Proxies

Votes at the General Meeting may be given personally or by proxy, attorney or representative.

A Shareholder entitled to attend and vote at the General Meeting has a right to appoint a proxy to attend and vote at the General Meeting. A proxy may but need not be a Shareholder of the Company and can be either an individual or a body corporate.

A body corporate may elect to appoint a representative in accordance with section 250D of the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company before the General Meeting.

The instrument appointing the proxy must be in writing, executed by the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer of his attorney duly authorised.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be received by one of the following means:

By mail Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

In person Share registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace Perth, Western Australia

Registered Office – Level 1, 9 Bowman Street, South Perth, Western Australia, 6151

by no later than 3.00 pm (Perth time) on 28 April 2013. Proxy forms received after this time will be invalid. Further details on lodging your proxy form can be found on the reverse side of the proxy form.

If a Shareholder appoints the chairman of the General Meeting or another director as proxy and does not direct the chairman of the General Meeting or director how to vote on an item of business, the Chairperson of the Meeting or director will vote proxies for holders entitled to vote in favour of the proposed resolutions set out in the Notice of Meeting.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Generally, these sections mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the chairperson of the meeting, who must vote the proxies as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the shareholders of Fox Resources Limited in connection with the business to be conducted at the General Meeting of the Company to be held at Level 1, 9 Bowman Street, South Perth Western Australia on Tuesday, 30 April 2013 commencing at 3.00 pm (Perth time).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting. The Directors recommend that Shareholders read this Explanatory Memorandum before determining how to vote on the Resolutions.

RESOLUTION 1 – ISSUE OF SHARES TO JUNGLE CREEK PTY LTD

Background

Resolution 1 seeks shareholder approval for the issue to Jungle Creek Gold Mines Pty Ltd (**Jungle Creek**) of 14,000,000 Shares at an issue price of \$0.04 cents per Share as announced to ASX on 8 March 2013.

The Company has entered into various agreements with Jungle Creek, a company controlled by the Company's non-executive chairman and Director, Mr Terrence Streeter, pursuant to which Jungle Creek has made unsecured loans of varying amounts to the Company (**Jungle Creek Loan Agreements**). The funds from the Relevant Loans were used by the Company for general working capital. As at the latest practicable date of 21 March 2013, approximately \$6.18 million is outstanding in aggregate under the Jungle Creek Loans (inclusive of accrued interest).

Subject to obtaining shareholder approval of Resolution 1, the Company will apply all of the proceeds of the issue of the Shares the subject of Resolution 1 to Jungle Creek to immediately repay \$560,000 of the Jungle Creek Loans (inclusive of accrued interest of \$50,577) (**Relevant Loans**), on the terms and conditions set out below.

In the event shareholder approval is not received for Resolution 1, the Relevant Loans (and accrued interest) will not be satisfied by the proceeds of the issue of the Shares. In accordance with the terms of the Relevant Loans, the Relevant Loans will immediately be repayable by the Company, together with accrued interest (which is accrued quarterly in arrears at a rate of 8.00% per annum from the date of the relevant Agreement to the date of repayment).

ASX Listing Rule 10.11 requires prior shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, unless an exception in ASX Listing Rule 10.12 applies. Jungle Creek is a related party of the Company for the purposes of Listing Rule 10.11. Accordingly, the proposed issue of Shares to Jungle Creek requires shareholder approval under ASX Listing Rule 10.11.

Additional information

The following additional information is provided in relation to the proposed issue of Shares to Jungle Creek the subject of Resolution 1:

- (a) The related party is Jungle Creek, which is a related party of the Company by virtue of being a company controlled by Mr Terrence Streeter, a Director.
- (b) The maximum number of securities to be issued to Jungle Creek pursuant to the approval sought by Resolution 1 is 14,000,000 Shares.
- (c) If Resolution 1 is approved, the Shares will be issued to Jungle Creek no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on one date.
- (d) Each Share will be issued at an issue price of \$0.04, being a 7.2% discount to the 15 day volume weighted average price of Shares traded on ASX over the 15 trading days up to and including 5 March 2013. This is the same price at which the Company agreed to issue Shares to Zashvin Pty Ltd as part of its investment in the Company announced to ASX on 8 March 2013, which is the subject of Resolutions 2 and 3.
- (e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally in all respects with the existing Shares on issue.
- (f) The value of the Shares based on the latest practicable closing price of Shares traded on ASX prior to the date of this Notice of Meeting (being \$0.039 each on 21 March 2013) is \$546,000, however, the issue of Shares will result in the satisfaction of the repayment of \$560,000 of the Jungle Creek Loans (including accrued interest of \$50,577).

- (g) If Shareholders approve Resolution 1, the Company intends to issue 14,000,000 Shares, which (assuming no other Shares have been issued by that time) will have the effect that the shareholding of existing Shareholders will be diluted by approximately 3.1%.
- (h) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Share price	Date
Highest	\$0.084	29 March 2012
Lowest	\$0.034	23 July 2012
Close at last practicable date	\$0.039	21 March 2013

- (i) Mr Streeter currently receives approximately \$171,000 per annum inclusive of superannuation and motor vehicle benefits for his services as non-executive director and chairman of the Company. Mr Streeter receives no other remuneration from the Company.
- (j) The purpose of the issue of the Shares to Jungle Creek is to satisfy the repayment of the Relevant Loans (together with accrued interest) previously advanced to the Company by Jungle Creek as described above.

Impact of the proposed issue on Jungle Creek and Mr Terrence Streeter's voting power in the Company

As at the date of the Notice of Meeting, Mr Terrence Streeter has a relevant interest and voting power in 77,683,587 Shares (inclusive of the existing Shares held by Jungle Creek), representing approximately 17.33% of the Company's outstanding Shares.

If Resolution 1 is approved, then following the issue of the Shares the subject of Resolution 1, Mr Terrence Streeter will have a relevant interest and voting power in 91,683,587 Shares. This will represent approximately 19.84% of the total number of the Company's then outstanding Shares, assuming that no other Shares are issued prior to that time (ie, an increase in voting power of approximately 2.51%). If shareholder approval is not given for Resolution 1, Mr Streeter's relevant interest and voting power in the Company (assuming no other Shares are issued prior to that time or acquired by him or his related entities) will remain approximately 17.33%.

Director recommendations

Mr Terrence Streeter declines to make a recommendation to Shareholders in relation to Resolution 1 due to his personal interest in the outcome of the Resolution (as controller of Jungle Creek).

The other Directors, none of whom have any interest in the outcome of Resolution 1, recommend that Shareholders vote in favour of Resolution 1 because they consider that the repayment of the Relevant Loans through the issue of Shares to Jungle Creek will strengthen the Company's balance sheet through the reduction of debt and potentially increase the ability of the Company to raise further funding in future as a result of that strengthening of the balance sheet.

The Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company issuing the Shares to Jungle Creek in repayment of the Relevant Loans as proposed in this Notice of Meeting (other than the dilution referred to in sub-paragraph (g) above).

The Board (including Mr Streeter) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

A separate approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Jungle Creek because approval is being obtained under Listing Rule 10.11. Accordingly, if Resolution 1 is approved, the issue of Shares to Jungle Creek will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

RESOLUTION 2 – APPROVAL OF PRIOR ISSUE OF SHARES TO ZASHVIN

As announced on 8 March 2013, the Company issued 41,000,000 Shares to Zashvin Pty Ltd (**Zashvin**) at an issue price of \$0.04 per Share to raise a total of \$1,640,000 (**March Placement Shares**). Zashvin is a company associated with Mr Shay Nee Chong, who is associated with the Company's Mt Oscar Project joint venture partner Magnetic South Pty Ltd and existing Shareholder Breeton Pty Ltd.

ASX Listing Rules 7.1 and 7.1A impose limits on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, the Company can issue without shareholder approval, in any 12 month period, the number of equity securities:

- up to 15% of its issued equity securities under ASX Listing Rule 7.1; and
- up to a further 10% of its issued equity securities under ASX Listing Rule 7.1A as a result of the shareholder approval under that Rule given at the Company's 2012 Annual General Meeting on 26 November 2012.

40,720,739 of the March Placement Shares were issued within the Company's additional 10% capacity under ASX Listing Rule 7.1A while 279,261 March Placement Shares were issued within the Company's 15% placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue by a company of equity securities made without shareholder approval is treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 when made and shareholders subsequently approve it.

Resolution 2 seeks shareholder approval under ASX Listing Rule 7.4 to approve the prior issue of the March Placement Shares made without approval under ASX Listing Rule 7.1. Resolution 2 is proposed to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rules 7.1 and 7.1A without shareholder approval. The requirement to obtain shareholder approval for a future issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise additional equity capital.

The effect of approval of Resolution 2 will be that:

- the issue of the March Placement Shares will not be counted towards reducing the number of securities that the Company can issue in the future without shareholder approval under the 15% limit imposed by ASX Listing Rule 7.1 or the additional 10% limit imposed by ASX Listing Rule 7.1A. This, in effect, means that the 15% limit under ASX Listing Rule 7.1, and the additional 10% limit under ASX Listing Rule 7.1A, will be "refreshed" to the extent of the approval so that the Company has a renewed ability to issue securities up to those respective limits; and
- the March Placement Shares issued pursuant to ASX Listing Rule 7.1A will be counted in the base number of Shares on which the 15% limit under ASX Listing Rule 7.1, and the additional 10% limit under ASX Listing Rule 7.1A, is based.

If Resolution 2 is not approved by Shareholders, it will limit the ability of the Company to issue securities without shareholder approval until the Company's 15% capacity under ASX Listing Rule 7.1, and additional 10% capacity under ASX Listing Rule 7.1A, is replenished.

Information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the Company provides the following information:

- A total of 41,000,000 Shares were issued by the Company on 8 March 2013 for an issue price of \$0.04 per Share, being a 7.2% discount to the 15 day volume weighted average price of Shares traded on ASX over the 15 trading days up to and including 5 March 2013.
- The March Placement Shares issued are fully paid ordinary shares in the Company and rank equally with all other fully paid ordinary shares on issue.
- The March Placement Shares were allotted to Zashvin. Zashvin is not associated with a Director or a related party of the Company as that term is defined in the ASX Listing Rules.
- The funds raised from the issue of the March Placement Shares will be used to plan and implement the Company's exploration on base metal tenements in the Pilbara region of Western Australia and for the Company's corporate purposes and working capital.

Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolution 2 on the basis set out above.

RESOLUTION 3 – ISSUE OF SHARES TO ZASHVIN

Background

As announced on 8 March 2013, Zashvin, a company associated with Mr Shay Nee Chong, who is associated with the Company's Mt Oscar Project joint venture partner Magnetic South Pty Ltd and existing Shareholder Breeton Pty Ltd, agreed to advance \$360,000 to the Company by way of an unsecured convertible loan (**Zashvin Loan**), repayable through the issue of up to 9,000,000 Shares at an issue price of \$0.04 per Share (**Zashvin Loan Conversion Shares**). This was in addition to the \$1,640,000 of March Placement Shares subscribed for by Zashvin, which are the subject of Resolution 2.

As noted above, ASX Listing Rule 7.1 imposes limits on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. While the proposed issue of the Zashvin Loan Conversion Shares is within the Company's available placement capacity under ASX Listing Rules 7.1, the Company is nevertheless seeking shareholder approval of that proposed issue to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without shareholder approval.

Accordingly, Resolution 3 seeks shareholder approval for the allotment and issue to Zashvin Pty Ltd of up to 9,000,000 Shares at an issue price of \$0.04 cents per Share for the purposes of Listing Rule 7.1.

If Shareholders do not approve Resolution 3, the Company still intends to issue the Zashvin Loan Conversion Shares in order to repay the \$360,000 Zashvin Loan on the basis that such issue does not require shareholder approval as the agreement to issue those Shares was within the Company's 15% capacity under ASX Listing Rule 7.1. However, Resolution 3 is proposed to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without shareholder approval. The requirement to obtain shareholder approval for a future issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise additional equity capital.

Additional Information

The following additional information is provided in relation to the proposed issue of the Zashvin Loan Conversion Shares:

- (a) The maximum number of securities to be issued pursuant to the approval sought by Resolution 3 is 9,000,000 Shares.
- (b) The Zashvin Loan Conversion Shares are proposed to be issued to Zashvin. Zashvin is not associated with a Director or a related party of the Company as that term is defined in the ASX Listing Rules.
- (c) The Zashvin Loan Conversion Shares are intended to be issued to Zashvin no later than 3 months after the date of the General Meeting (or at such later date as permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that 3,500,000 of the Zashvin Loan Conversion Shares will be issued immediately following the issue of Shares to Jungle Creek that are the subject of Resolution 1 (if Resolution 1 is approved by Shareholders), with the balance to be issued at such time or times as those Shares can be issued without causing Zashvin and its associates to hold (in aggregate) more than 20% or more of the total issued Shares, or such greater percentage as may be permitted in reliance on the "3% creep" exception in item 9 of section 611 of the Corporations Act.
- (d) Each Zashvin Loan Conversion Share will be issued at an issue price of \$0.04, being a 7.2% discount to the 15 day volume weighted average price of Shares traded on ASX over the 15 trading days up to and including 5 March 2013.
- (e) The Zashvin Loan Conversion Shares will be fully paid ordinary shares in the Company and will rank equally in all respects with the existing Shares on issue.
- (f) If Shareholders approve Resolution 3, the Company intends to issue up to 9,000,000 Shares, which (assuming no other Shares have been issued by that time) will have the effect that the shareholding of existing Shareholders will be diluted by approximately 2.0%.
- (g) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out in sub-paragraph (h) in the Explanatory Memorandum to Resolution 1 above.
- (h) The purpose of the issue of the Shares to Zashvin is to satisfy the repayment of up to \$360,000 of the convertible loan provided to the Company by Zashvin described above.

Impact of the proposed issue on Zashvin's voting power in the Company

As at the date of the Notice of Meeting, Zashvin and its associates (including Breeton Pty Ltd) have a combined relevant interest and voting power in 89,485,762 Shares, representing approximately 19.97% of the Company's outstanding Shares. However, if Resolution 1 is approved, then following the issue of the Shares the subject of Resolution 1 to Jungle Creek, Zashvin's relevant interest and voting power will be diluted to approximately 19.36%. The Company then intends to issue 3,500,000 of the Zashvin Loan Conversion Shares, which will give Zashvin and its associates a relevant interest and voting power of approximately 19.97%. These calculations assume that the Shares the subject of Resolution 1 are issued but no other Shares are issued prior to the issue of the Zashvin Loan Conversion Shares.

Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolution 3 on the basis set out above.

RESOLUTION 4 – ISSUE OF SHARES TO XLX EXPLORATION

Background

As announced to ASX on 21 December 2012, the Company acquired 100% interests in 16 coal exploration permits (EPCs) and one EPC under application in the Styx, Bowen, Maryborough and Galilee basins from XLX Exploration Pty Ltd (**XLX Exploration**), Cliffs Australia Coal Pty Ltd, Jacaranda Coal Limited and Conarco Minerals Pty Ltd (**Queensland Coal Assets**) with the legal transfer of those permits subject to usual Queensland Government approvals. Further details are contained in the Company's announcement to ASX on 21 December 2012.

As consideration for the Queensland Coal Assets, the Company paid \$1,000,000 in cash to the sellers and also agreed to issue 16,628,440 Shares to XLX Exploration once no less than 12 of the permits have been transferred to Fox following Queensland Government approval (**Consideration Shares**).

As noted above, ASX Listing Rule 7.1 imposes limits on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. While the agreement to issue the Consideration Shares was within the Company's available placement capacity under ASX Listing Rules 7.1 when made, the Company is seeking shareholder approval of that proposed issue to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without shareholder approval.

Accordingly, Resolution 4 seeks shareholder approval for the purposes of Listing Rule 7.1 for the issue to XLX Exploration of the 16,628,440 Consideration Shares as part consideration for the acquisition of the Queensland Coal Assets by the Company.

If Shareholders do not approve Resolution 4, the Company will remain obliged to issue the Consideration Shares under the terms of the agreement to acquire the Queensland Coal Assets once no less than 12 of the permits have been transferred to the Company following Queensland Government approval. While these Shares can be issued within the Company's 15% capacity under ASX Listing Rule 7.1, Resolution 4 is nevertheless proposed to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without shareholder approval. The requirement to obtain shareholder approval for a future issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise additional equity capital.

Additional information

The following additional information is provided in relation to the proposed issue of the Consideration Shares:

- (a) The maximum number of securities to be issued pursuant to the approval sought by Resolution 4 is 16,628,440 Shares.
- (b) The Consideration Shares are proposed to be issued to XLX Exploration. XLX Exploration is not associated with a Director or a related party of the Company as that term is defined in the ASX Listing Rules.
- (c) The Consideration Shares are intended to be issued to XLX Exploration no later than 3 months after the date of the General Meeting (or at such later date as permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Consideration Shares will be issued in one tranche once no less than 12 of the permits comprised in the Queensland Coal Assets have been transferred to the Company following Queensland Government approval.
- (d) Each Consideration Share will be issued as part consideration for the Company's acquisition of the Queensland Coal Assets. The number of Consideration Shares to be issued was calculated as the number of Shares equal to \$725,000 divided by \$0.0436 (being the volume weighted average price of Shares traded on ASX over the 15 trading days up to and including 20 December 2012).
- (e) The Consideration Shares will be fully paid ordinary shares in the Company and will rank equally in all respects with the existing Shares on issue.

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- (f) If Shareholders approve Resolution 4, the Company intends to issue up to 16,628,440 Shares, which (assuming no other Shares have been issued by that time) will have the effect that the shareholding of existing Shareholders will be diluted by approximately 3.7%.
 - (g) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out in sub-paragraph (h) in the Explanatory Memorandum to Resolution 1 above.
 - (h) The purpose of the issue of the Consideration Shares to XLX Exploration is to pay part of the consideration for the Company's acquisition of part of the Queensland Coal Assets. No monetary amounts will be received for the issue of the Consideration Shares and, accordingly, there is no applicable use of funds raised from their issue.

Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolution 4 on the basis set out above.

COMPLIANCE WITH ASX LISTING RULES 7.1 AND 7.1A

The Company confirms it is in compliance with ASX Listing Rules 7.1 and 7.1A in relation to the issues or agreements to issue securities referred to in this Notice of General Meeting. In particular:

- (a) any issue of Shares to Jungle Creek in relation to the Jungle Creek Loan Agreements will only be made with shareholder approval pursuant to ASX Listing Rule 10.11 or under an exception to that rule;
- (b) the issue of Shares to Zashvin the subject of Resolution 2 was made within the Company's available capacity to issue equity securities under ASX Listing Rules 7.1 and 7.1A when made, as referred to in the Company's announcement to ASX dated 8 March 2013;
- (c) the agreement to issue Shares to Zashvin the subject of Resolution 3 was made subject to the requirement for the Company to obtain Shareholder approval under Listing Rule 7.1 for the issue of those Shares (which is the purpose of Resolution 3); and
- (d) the agreement to issue Shares to XLX Exploration the subject of Resolution 4 was made within the Company's capacity under ASX Listing Rules 7.1 when made.

Details of the Company's capacity to issue equity securities under ASX Listing Rules 7.1 and 7.1A as at the date of the Notice of General Meeting is as set out in Annexure 1 to the Appendix 3B issued by the Company to ASX on 8 March 2013.

GLOSSARY

In this Explanatory Memorandum and the Notice of Meeting, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
ASX Listing Rules	means the Listing Rules of ASX.
Board	means the board of Directors of the Company.
Company	means Fox Resources Limited ACN 079 902 499.
Constitution	means the constitution of the Company.
Corporations Act	Means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means the explanatory memorandum accompanying the Notice of Meeting.
Jungle Creek	means Jungle Creek Gold Mines Pty Ltd ACN 008 795 033, a Company controlled by Mr Terrence Streeter.
Notice or Notice of Meeting	means the notice of meeting accompanying this Explanatory Memorandum.
Queensland Coal Assets	the 16 coal exploration permits (EPCs) and one EPC under application in the Styx, Bowen, Maryborough and Galilee basins to be acquired by Fox from XLX Exploration Pty Ltd, Cliffs Australia Coal Pty Ltd, Jacaranda Coal Limited and Conarco Minerals Pty Ltd, details of which were announced to ASX on 21 December 2012.
Resolution	means a resolution set out in the Notice of Meeting.
Share	means an ordinary share in the Company.
Shareholder	means a holder of a Share.
XLX Exploration	means XLX Exploration Pty Ltd ACN 138 727 947, being one of the sellers of the Queensland Coal Assets to the Company.
Zashvin	means Zashvin Pty Ltd ACN 010 980 015, a company affiliated with Mr Shay Nee Chong, who is associated with the Company's Mt Oscar Project joint venture partner Magnetic South Pty Ltd and existing Shareholder Breeton Pty Ltd.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

┌ 000001 000 FXR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

 For your vote to be effective it must be received by 3:00pm (Perth Time) Sunday 28 April 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

Proxy Form

Please mark to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Fox Resources Limited hereby appoint

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Fox Resources Limited to be held at Level 1, 9 Bowman Street, South Perth, Western Australia on Tuesday, 30 April 2013 at 3:00pm (Perth Time) and at any adjournment or postponement of that Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 1 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on Resolution 1. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 1 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Issue of Shares to Jungle Creek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of prior issue of Shares to Zashvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares to Zashvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares to XLX Exploration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ / _____

FXR

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Computershare +