ABN 44 079 902 499

FINANCIAL REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2014

CONTENTS

COMPANY INFORMATION

Directors

Mr G East	Non-Executive Director, appointed Non-Executive Chairman 12 May 2017, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer
Ms L Da' Silva	Non-Executive Director, appointed 12 May 2017, resigned 10 November 2017
Mr D Cooper	Appointed Non-Executive Chairman 10 April 2017, resigned 11 May 2017
Mr T Streeter	Non-Executive Chairman – resigned 10 April 2017, reappointed 10 November 2017

Company Secretary
B Garlick

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Perth, WA 6000

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Perth WA 6000

Website
www.foxresources.com.au

DIRECTORS` REPORT

The Directors present the financial report of the consolidated entity for the half year to 31 December 2014 and the independent review report.

Directors

The following persons were directors of Fox Resources Limited for the duration of the half year and up to the date of this report (unless otherwise stated):

Mr G East	Non-Executive Director, appointed Non-Executive Chairman 12 May 2017, resigned as Non-Executive Chairman 10 November 2017
Mr B Garlick	Executive Director, Chief Financial Officer - appointed 30 September 2014
Ms L Da' Silva	Non-Executive Director, appointed 12 May 2017, resigned 10 November 2017
Mr D Cooper	Appointed Non-Executive Chairman 10 April 2017, resigned 11 May 2017
Mr T Streeter	Non-Executive Chairman – resigned 10 April 2017, reappointed 10 November 2017
Mr P Dunbar	Executive Director - resigned 29 September 2014

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Mining Activities

The Radio Hill underground mine was placed under care and maintenance subsequent to 31 December 2014 and remains so up until the date of this report.

Processing Activities

Subsequent to the 31 December 2014 half year and up until the date of this report, processing activities at Radio Hill has been suspended.

Exploration

During the six months to 31 December 2014 the Company has focused the majority of its exploration efforts on its Queensland coking coal project and further exploration on the Mt Oscar and Pilbara Minerals Joint Venture respectively. The Board has chosen to recognise the remaining exploration assets as assets classified as held for sale and these assets have been valued appropriately for that undertaking.

Financial and Corporate

As at 31 December 2014 the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $2,688,000 (net of $920,731 liabilities directly associated with assets classified as held for resale, recognised in current liabilities) were expected to be recovered principally through a sales transaction rather than continuing use. As such they have been reclassified to current and classified as an asset held for sale.

The Group has placed all of its exploration and tangible assets for sale. The net deficit position of $3,595,199 continues to be financially supported by the Directors and director-related entities up until the date of this report.

Events Subsequent To Reporting Date

On the 16 December 2016 Fox Resources Limited signed an agreement with Artemis Resources Ltd to purchase Fox Radio Hill Pty Ltd for $3.5m in cash to be settled on the 31 March 2017. Subsequently Fox Resources Limited signed a revised agreement with Artemis Resources Ltd on the 12 May 2017 to sell Fox Radio Hill Pty Ltd for the issue of 28 million shares in Artemis Resources Ltd and Artemis to assume creditors in the amount of $920,731, to be settled within eight weeks. In addition, Fox Resources Ltd has signed a service contract with Artemis Resources Ltd to provide ongoing services at Fox Radio Hill Pty Ltd.

In May 2017 Fox also entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:

- $400,000 has already been received at the date of signing this report;
- $200,000 payable in July;
- $100,000 per month thereafter from August 2017 until November 2017;

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for $0.9m. Zimprops can sell their 50% of EPC 1523 back to Fox for $1.5m at the earlier of the following events – the inferred resource increases by 50mt, or by the 22 June 2018. A Joint Venture will be formed if no election is made by Zimprops.

Fox then signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. Assuming Fox's share increases by 25Mt of coking coal resource then Fox will receive $1,963,500 in cash or 9,817,500 shares at 20 cents per share in the new listed entity, or a combination of cash and shares at Fox's election.

Directors and any associated director-related entities have continued to financially support the company from the reporting date until the date of signing this financial report. This is reflected in the increase in interest bearing liabilities since the previous reporting period on the Statement of Financial Position. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $6,438,074 as at 31 December 2014. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017.

AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001, requires the lead auditor from the Company's auditors, Grant Thornton Audit Pty Ltd, to provide the directors with a written Independence Declaration in relation to their review of the financial report for the half year ended 31 December 2014. A copy of the declaration is attached to this report.

For and on behalf of the board

TERRY STREETER
NON-EXECUTIVE CHAIRMAN

Dated: 27 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated	
		Dec-14	Dec-13
		$	$
Other income	3	145	515,183
Other expenses	3	(690,862)	(2,472,245)
Finance costs	3	(189,161)	(353,001)
Loss before income tax		(879,878)	(2,310,063)
Income tax benefit		-	310,369
Loss from continuing operations		(879,878)	(1,999,694)
Loss on discontinued operation, net of tax	3	(13,939,753)	-
Loss		(14,819,631)	(1,999,694)
Other comprehensive income			
Other comprehensive income		-	-
Income tax relating to comprehensive income		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive loss for the period		(14,819,631)	(1,999,694)
Basic and diluted earnings/(loss) per share attributable to the consolidated entity (cents)		(1.76)	(0.40)
Basic and diluted earnings/(loss) per share attributable to continued operations (cents)		(0.10)	(0.40)

The above statement should be read in conjunction with notes to the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	Consolidated	
		Dec-14	Jun-14
		$	$
CURRENT ASSETS			
Cash and cash equivalents		-	138,494
Trade and other receivables		39,690	215,174
Other financial assets		11,303	51,808
		50,993	405,476
Assets classified as held for sale	6	5,608,731	3,511,101
TOTAL CURRENT ASSETS		5,659,724	3,916,577
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	1,227,676
Exploration and evaluation expenditure	4	-	17,636,662
Other financial assets		78,481	78,481
TOTAL NON-CURRENT ASSETS		78,481	18,942,819
TOTAL ASSETS		5,738,205	22,859,396
CURRENT LIABILITIES			
Trade and other payables		1,950,975	2,869,873
Liabilities directly associated with assets classified as held for resale	6	920,731	-
Interest bearing liabilities		1,638,111	5,028,954
Provisions		23,624	28,661
TOTAL CURRENT LIABILITIES		4,533,441	7,927,488
NON CURRENT LIABILITIES			
Interest bearing liabilities		4,799,963	-
Provisions		-	3,784,344
TOTAL NON CURRENT LIABILITIES		4,799,963	3,784,344
TOTAL LIABILITIES		9,333,404	11,711,832
NET ASSETS		(3,595,199)	11,147,564
EQUITY			
Issued capital	7	125,969,492	125,892,624
Reserves		150,346	150,346
Accumulated losses		(129,715,037)	(114,895,406)
TOTAL EQUITY		(3,595,199)	11,147,564

The above statement should be read in conjunction with notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Dec-14	Dec-13
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	172,181	1,051,263
Payments to suppliers and employees	(741,822)	(1,213,401)
Sundry income	-	-
R&D tax offset	-	310,369
Interest received	-	24,570
Interest and other costs of finance paid	-	(294,845)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(569,641)**	**(122,044)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration activities	(930,859)	(2,206,132)
Payments for heap leach research	-	-
Payments for plant and equipment	-	-
Proceeds from sale of non current assets	-	-
Proceeds from security deposits	-	1,154,491
Payment for rehabilitation bonds	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(930,859)**	**(1,051,641)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of ordinary shares	105,445	1,689,500
Proceeds from borrowings	1,396,000	1,245,721
Repayment of borrowings	(139,439)	-
Payment of hire purchase liabilities	-	(727,489)
Payment of share issue costs	-	(72,424)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**1,362,006**	**2,135,308**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(138,494)	961,623
Cash and cash equivalents at the beginning of the financial year	138,494	129,842
Effects of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	-	**1,091,465**

The above statement should be read in conjunction with notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Consolidated	Notes	Issued Capital $	Accumulated Losses $	Other Reserves $	Total $
At 1 July 2013		119,966,397	(110,596,160)	36,180	9,406,417
Loss for the period		-	(1,999,694)	-	(1,999,694)
Sub-total		119,966,397	(112,595,854)	36,180	7,406,723
Issue of share capital		1,879,500	-	-	1,879,500
Share issue expenses		(197,424)	-	-	(197,424)
Share based payments		-	-	80,884	80,884
At 31 December 2013		121,648,473	(112,595,854)	117,064	9,169,683
					-
At 1 July 2014		125,892,624	(114,895,406)	150,346	11,147,564
Loss for the period		-	(14,819,631)	-	(14,819,631)
Sub-total		125,892,624	(129,715,037)	150,346	(3,672,067)
Issue of share capital		76,868	-	-	76,868
Share issue expenses		-	-	-	-
Share based payments		-	-	-	-
At 31 December 2014		125,969,492	(129,715,037)	150,346	(3,595,199)

The above statement should be read in conjunction with notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. CORPORATE INFORMATION

The financial report of Fox Resources Ltd for the half year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 27 February 2018.

Fox Resources Ltd is a company limited by shares incorporated in Australia whose shares were publicly traded on the Australian Securities Exchange as at reporting date.

The nature of the operations and principal activities of Fox Resources Ltd is the exploration for coal, iron ore and base metals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2014.
The accounting policies have been applied consistently throughout the consolidated entity for the purposes of preparation of these consolidated interim financial statements.

New or revised Standards and Interpretations that are first effective in the current reporting period

The Consolidated Entity has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.
Impact of new and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

AASB 2014-1 Amendments to Australian Accounting Standards – (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles) (applicable for annual reporting periods commencing on or after 1 July 2014)

This amendment (amongst other improvements): clarifies the definition of a 'related party' to include a management entity that provides key management personnel services to the reporting entity; amends AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.
The adoption of these amendments for the first time for the 6 months ended 31 December 2014 has had no material impact on the group.

AASB 2014-1 Amendments to Australian Accounting Standards (Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)) (applicable for annual reporting periods commencing on or after 1 July 2014).

Makes amendments to AASB 119 Employee Benefits to incorporate the IASB's practical expedient amendments finalised in International Financial Reporting Standard Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) in relation to the requirements for contributions from employees or third parties that are linked to service.
The adoption of these amendments for the first time for the 6 months ended 31 December 2014 has had no material impact on the group.

AASB 2014-1 Amendments to Australian Accounting Standards (Part C: Materiality) (applicable for annual reporting periods commencing on or after 1 July 2014).

Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality, which historically has been referenced in each Australian Accounting Standard.
The adoption of these amendments for the first time for the 6 months ended 31 December 2014 has had no material impact on the group.

AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14) (applicable for annual reporting periods commencing on or after 1 July 2014).

Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.

The adoption of these amendments for the first time for the 6 months ended 31 December 2014 has had no material impact on the group.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments) (applicable for annual reporting periods commencing on or after 1 January 2015).
Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosure and AASB 101 Presentation of Financial Statements.
The adoption of these amendments for the first time for the 6 months ended 31 December 2014 has had no material impact on the group.

New standards and interpretations not yet adopted

AASB 9 Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2018).
This standard introduces new requirements for the classification and measurement of financial assets and liabilities.
The effect on the entity will be that more assets may be held at fair value and the need for impairment testing has been limited to financial assets held at amortised cost only.
Minimal changes have been made in relation to the classification and measurement of financial liabilities, except that the effects of 'own credit risk' are recognised in other comprehensive income.
The amendments are not expected to impact the group.

AASB 15 Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

- Replaces AASB 18 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations
- Establishes a new revenue recognition model.
- Changes the basis for deciding whether revenue is to be recognised over time or at a point in time.
- Provides new and more detailed guidance on specific topics (eg. multiple element arrangements, variable pricing, rights of return, warranties and licensing).
- Expands and improves disclosures about revenue.
- The amendments are not expected to impact the group.
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable for annual reporting periods commencing on or after 1 January 2016).
- Amends AASB 11 to state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business' (def AASB 3 Business Combinations), should:

1. Apply all principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, ie. the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
2. Provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

When these amendments are first adopted for the year ended 30 June 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016).

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.
The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (ie. a revenue-based amortisation method might be appropriate) only in two limited circumstances:

1. The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
2. When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
3. When these amendments are first adopted for the year ended 30 June 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2017).

AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.
The amendments are not expected to impact the group.

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.
The amendments are not expected to impact the group.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2015).

AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and (December 2010)) from 1 February 2015.
The amendments are not expected to impact the group.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (applicable for annual reporting periods commencing on or after 1 January 2016).

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.
The amendments are not expected to impact the group.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (applicable for annual reporting periods commencing on or after 1 January 2016).

The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011).
The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.
The amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011).
The amendments are not expected to impact the group.

*** Annual Improvements to IFRSs 2012-2014 Cycle (applicable for annual reporting periods commencing on or after 1 January 2016).**

Annual Improvements to IFRSs 2012-2014 Cycle is a series of amendments to IFRSs in response to issues raised during the 2012-2014 cycle for annual improvements.
Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of IFRS 5.
The AASB is expected to publish the equivalent Australian amendments in quarter 1 of 2015.

The amendments are not expected to impact the group.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) (applicable for annual reporting periods commencing on or after 1 January 2016).

The narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.
The amendments are not expected to impact the group.

3. REVENUE, INCOME AND EXPENSES

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

		Consolidated	
		31 Dec 2014	31 Dec 2013
		$	$
(a)	**Other Income**		
	Accommodation camp rental income	-	490,613
	Interest received	-	24,570
	Sundry income	145	-
	Total Other Income	**145**	**515,183**
(b)	**Other Expenses**		
	Administration and exploration	587,958	1,321,041
	Convertible security commencement fee	-	125,000
	Share based payment expense	-	212,844
	Depreciation - plant & equipment	102,904	200,905
	Exploration & evaluation write off	-	612,455
	Total Other Expenses	**690,862**	**2,472,245**
(c)	**Finance costs**		
	Other loans including converting loan	188,452	331,060
	Finance charges payable under hire purchase	709	21,941
		189,161	**353,001**
(d)	**Research & Development Tax Offset**	-	310,369
(e)	**Loss on discontinued operations**		
	Accommodation camp rental income	1,270	-
	Exploration & evaluation write off	(13,671,639)	-
	Administration expenses	(269,385)	-
		(13,939,753)	-

As at 31 December 2014 the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $2,688,000, were expected to be recovered principally through a sales transaction rather than continuing use. As such the carrying amount of exploration expenditure and property, plant and equipment pertaining to the Radio Hill assets have been written back through the profit and loss in the current financial period.

4. EXPLORATION AND EVALUATION EXPENDITURE

	Notes	Consolidated	
		31 Dec 2014	30 Jun 2014
		$	$
Costs carried forward in respect of:			
Exploration and evaluation phase - at cost			
Balance at beginning of year		17,636,662	19,497,144
Acquisitions		791,340	725,000
Expenditure incurred		-	2,323,162
Provision for impairment		-	(1,150,211)
Movement in provision for rehabilitation		(3,783,506)	-
Reclassification to assets held for sale	6	(2,683,958)	(3,511,101)
Expenditure written off		(11,960,538)	(247,332)
		-	17,636,662

5. PROPERTY, PLANT AND EQUIPMENT

	Notes	Consolidated	
		31 Dec 2014	30 Jun 2014
		$	$
Plant and equipment – at cost		-	5,534,812
Less: accumulated depreciation		-	(3,843,362)
Less: accumulated impairment loss		-	(463,774)
Net carrying amount		-	**1,227,676**
Movement in property, plant and equipment			
Opening balance, net of accumulated depreciation and impairment		1,227,676	1,948,338
Additions		-	129,876
Disposals			-
Depreciation expense		(102,904)	(386,764)
Write off expense		-	(463,774)
Reclassification to assets held for sale	6	(1,124,772)	-
Closing balance, net of accumulated depreciation and impairment		-	**1,227,676**

6. ASSETS CLASSIFIED AS HELD FOR RESALE

	Consolidated	
	31 Dec 2014	30 Jun 2014
	$	$
Movement in assets classified as held for sale		
Opening balance	3,511,101	-
Revaluation of Bundaberg Coking Coal assets	(1,711,101)	-
Additions	3,808,731	3,511,101
	5,608,731	**3,511,101**

As at 31 December 2014 the Group had determined that its Fox Resources Radio Hill assets, at a carrying value of $2,688,000 (net of $920,731 liabilities directly associated with assets classified as held for resale, recognised in current liabilities) were expected to be recovered principally through a sales transaction rather than continuing use. As such they have been reclassified to current and classified as an asset held for sale. The remaining additions of assets classified as held for sale relate to fixed assets available for sale. Refer note 8 for further information.

As at 31 December 2014 the Group had determined that its Bundaberg Coking Coal Project assets have a reduced carrying value of $1,800,000 (30 June 2014: $3,511,101) due to changes in market sentiment. These assets were expected to be recovered principally through a sales transaction rather than continuing use. As such, they continue to be classified to current and classified as an asset held for sale.

7. CONTRIBUTED EQUITY

	Consolidated	
	6 months to 31 Dec 2014	12 months to 30 Jun 2014
(a) Issued and paid up capital	$	$
Ordinary shares fully paid	**125,969,492**	**125,892,624**
(b) Movement in shares on issue		
	Number of Shares	**$**
Balance at beginning of year	841,931,126	125,892,624
Issue of ordinary shares	5,873,766	76,868
Less transaction costs	-	-
Total issued and paid-up capital	**847,804,892**	**125,969,492**

(c) Share options

At 31 December 2014, there were 282,351,521 (30 June 2014: 277,227,755) unissued ordinary shares in respect of which listed options were outstanding.

At December 2014, there were 15,935,897 (30 June 2014: 15,935,897) unissued ordinary shares in respect of which unlisted options were outstanding.

Listed options to subscribe to ordinary shares

	31 Dec 2014 Number of Options	30 Jun 2014 Number of Options
Balance at beginning of year	277,227,755	-
Issue	5,123,766	277,227,755
Cancelled / Expired	-	-
Balance at end of year	**282,351,521**	**277,227,755**

Unlisted options to subscribe to ordinary shares

	31 Dec 2014 Number of Options	30 Jun 2014 Number of Options
Balance at beginning of year	15,935,897	2,720,000
Issue	-	15,935,897
Cancelled / Expired	-	(2,720,000)
Balance at end of year	**15,935,897**	**15,935,897**

8. EVENTS SUBSEQUENT TO REPORTING DATE

On the 16 December 2016 Fox Resources Limited signed an agreement with Artemis Resources Ltd to purchase Fox Radio Hill Pty Ltd for $3.5m in cash to be settled on the 31 March 2017. Subsequently Fox Resources Limited signed a revised agreement with Artemis Resources Ltd on the 12 May 2017 to sell Fox Radio Hill Pty Ltd for the issue of 28 million shares in Artemis Resources Ltd and Artemis to assume creditors in the amount of $920,731, to be settled within eight weeks. In addition, Fox Resources Ltd has signed a service contract with Artemis Resources Ltd to provide ongoing services at Fox Radio Hill Pty Ltd.

In May 2017 Fox also entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:

- $400,000 has already been received at the date of signing this report;
- $200,000 payable in July;
- $100,000 per month thereafter from August 2017 until November 2017;

On the 20 December 2016 Fox Resources Limited signed an agreement to sell 50% of the coking coal tenement EPC 1523 to Zimprops Pty Ltd for $0.9m. Zimprops can sell their 50% of EPC 1523 back to Fox for $1.5m at the earlier of the following events – the inferred resource increases by 50mt, or by the 22 June 2018. A Joint Venture will be formed if no election is made by Zimprops.

Fox then signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election. Fox's share of the consideration payable under the SSA, the entity which will own its interest in EPC 1523, will increase in proportion to the potential increase in the coking coal resource from the current drilling program. Assuming Fox's share increases by 25Mt of coking coal resource then Fox will receive $1,963,500 in cash or 9,817,500 shares at 20 cents per share in the new listed entity, or a combination of cash and shares at Fox's election.

Directors and any associated director-related entities have continued to financially support the company from the reporting date until the date of signing this financial report. This is reflected in the increase in interest bearing liabilities since the previous reporting period on the Statement of Financial Position. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $6,438,074 as at 31 December 2014. Jungle Creek was placed into administration early 2017, however Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017.

9. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis it is a mineral exploration company operating in the geographical region of Australia, mainly in Western Australia with additional tenements held in Queensland. The mineral assets held via outright ownership or joint venture is considered one business. Decisions are made on a prospective basis, not a geographical or commodity basis.

10. RELATED PARTY INFORMATION

Wholly-owned group transactions

Controlled entities made payments and received funds on behalf of Fox Resources Limited and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand; however, demand for repayment is not expected in the next twelve months.

Transactions with related parties

All transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year the following transactions were entered into with related parties:

Since February 2012, 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 made unsecured loans of varying amounts to the Company, totalling $5,999,963 with total interest of $1,23,327, as at 31 December 2014. Under the terms of the agreement, Jungle Creek may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares.

The company has entered into an agreement with R & D White Pty Ltd since July 2012. The unsecured loan amounted to $29,838, with total interest of $4,838.

The company has entered into an agreement with Zashvin. The unsecured loan amounted to $253,736, with total interest of $33,736.

The company has entered into an agreement with Garry East. The unsecured loan amounted to $154,537, with total interest of $4,537.

Other related party transactions:

At 31 December 2014, the following amounts were payable to directors and ex directors for directors' fees:

T E J Streeter: $531,938 ($487,500 relates to director fees; $44,438 relates to superannuation contribution).

R White: $136,297 ($125,000 relates to director fees; $11,297 relates to superannuation contribution). Resigned 2/10/2013)

J Cooper: $77,582 ($68,750 relates to director fees; $8,832 relates to superannuation contribution) Resigned 11/04/2014.

G East: $151,781 ($138,930 relates to director fees; $12,851 relates to superannuation contribution).

There were no other related party transactions during the year.

11. GOING CONCERN

This financial report has been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 31 December 2014 the Group has reported a loss after tax for the period of $14,819,631, cash outflows from operations of $741,822 and a net deficit position of $3,595,199.

Directors and any associated director-related entities have continued to financially support the Group from the reporting date until the date of signing this financial report. Fox's major director-related creditor is Jungle Creek Gold Mines Pty Ltd ("Jungle Creek"), which was owed $5,999,963 as at 31 December 2014. Jungle Creek was placed into administration early 2017, however, Fox obtained a Deed of Forbearance ("DOF") from the administrators of Jungle Creek. Under the DOF the administrators have agreed to provide Fox a forbearance period of 12 months until 12 May 2018 in exchange for $1.2 million in Artemis shares from the Artemis sale agreement plus $250,000. This was subsequently settled in 2017 with the administrators of Jungle Creek, Jungle Creek was released from administration and Mr Streeter was re-elected Non-Executive Chairman of Fox Resources Ltd on 10 November 2017. Mr Streeter will continue to financially support the Group until the date of signing this financial report.

As at 31 December 2014 the Group holds $nil cash on hand. The Group is committed to payments to maintain its rights over its exploration assets. As a result, the Group has and expects further cash outflows from operating and investing activities in the next financial period. The ability of the Group to be able to continue as a going concern is thus dependent upon the Group being able to secure additional working capital as and when required. The Directors are satisfied that additional working capital has and will be secured as required and that it is appropriate to prepare the financial statements on a going concern basis based on the following:

- Fox has sold Fox Radio Hill Pty Ltd to Artemis Resources Ltd for 28m shares in Artemis Resources Ltd and $920,726 in cash to settle the creditors in Fox Radio Hill Pty Ltd that was settled on 12 May 2017;
- Fox has entered an agreement with Artemis Resources Ltd, which will provide $1,000,000 in service revenue:
  - $400,000 has already been received at the date of signing this report;
  - $200,000 payable in July 2017;
  - $100,000 per month thereafter from August 2017 until November 2017;
- Fox has sold 50% of its Bundaberg coking coal assets to Zimprops Pty Ltd for $1,000,000. This amount has been paid in full. Zimprops can sell their 50% of EPC 1523 back to Fox for $1.5m at the earlier of the following events – the inferred resource increases by 50mt, or by the 22 June 2018. A Joint Venture will be formed if no election is made by Zimprops.
- Fox signed a Share Sale Agreement ("SSA") on 28 November 2017 to sell all of the shares in a new subsidiary of Fox, which is to hold the remaining 50% interest in Bundaberg EPC 1523 coking coal tenements after the Zimprops sale, to Bundaberg Coal Pty Ltd. Fox will receive $1,775,000 in cash or 8,875,000 shares at 20 cents per share in a new listed entity (which effectively owns all of EPC 1523, amongst other tenements), or a combination of cash and shares at Fox's election;
- Fox has sold its remaining camp assets for $200,000. These funds were received 1 January 2017;
- Forecast cash flows through to 28 February 2019 support Fox being able to meet its debts as and when they fall due on the basis on the agreements outlined above; and
- The Group's historical track record of being able to secure additional working capital as and when required.

In the event that the Group is unable to raise additional working capital, if required, there is significant uncertainty as to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern. The financial statements do not include adjustments relating to the recoverability and classification of the recorded assets amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

DIRECTORS' DECLARATION

In the Directors opinion:

1. The consolidated financial statements and notes of Fox Resources Ltd are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of its financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

   (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

TERRY STREETER
NON-EXECUTIVE CHAIRMAN

Dated: 27 February 2018

Grant Thornton

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Auditor's Independence Declaration to the Directors of Fox Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Fox Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner – Audit & Assurance

Perth, 27 February 2018

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Independent Auditor's Review Report to the Members of Fox Resources Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Fox Resources Limited (the "Company"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Fox Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2014, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Fox Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Grant Thornton

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

P. Warr.

P W Warr

Partner – Audit & Assurance

Perth, 27 February 2018