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12 January 2024

Fox Resources Ltd Shareholder Update

Dear Shareholders,

Announcement - Fox Resources Limited

Fox Resources Limited (Fox) is pleased to advise that it has published the following letter in the Bundaberg Times 12 January 2024.

Dear Editor

I am writing to correct some of the misleading claims made regarding Fox Resources' activities in the Bundaberg region.

Firstly, a Mineral Development Licence application (MDLA), as sought by Fox Resources, is not a mining licence.

Former Queensland Resources Minister, the Hon Dr Anthony Lynham MP stated as such in March 2020 regarding Fox Resources' application, MDL 3040: "An MDL is not a mine and does not provide any rights to mine. What an MDL does is to allow activities relating to mineral exploration and development such as explorative drilling, seismic surveys, mining feasibility studies, metallurgical testing, marketing and environmental, engineering and design studies."

He added: "If Fox Resources wishes to develop MDL 3040 into a mine, they will be required to apply for a Mining Licence. Queensland has some of the most transparent and rigorous assessment processes for mining projects in the world."

Fox Resources' track record over the past 10 years as an exploration company operating in the Wide Bay Area is unblemished. A local drilling company, geologist and hydrologist have been employed for all drilling activities, which are conducted under strict conditions, including for rehabilitation.

Under the MDL conditions provided by Queensland's Department of Resources, Fox Resources is only allowed to drill five drill holes; no mining is to occur under Avondale

township; and any mine would be an underground bord and pillar operation. It would be situated in an area of non-arable land unsuitable for agriculture and not in any residential area.

Additionally, any water used would be from an aquifer containing brackish water, unsuitable for drinking or agricultural use, with no impact on the aquifer used for local water consumption and agricultural land.

Fox Resources intends to rail the steel-making coal to Gladstone, an established coal export port. Strict standards exist regarding dust management, with meteorological data showing there would be no impacts on Moore Park due to the prevailing wind direction.

Subject to approval, Fox Resources' proposed steel-making coal mine could provide approximately 200 valuable new jobs and 20 apprenticeships, injecting around \$45 million per year into local businesses and helping fund a brand-new state of the art hospital for Bundaberg through royalty payments to the Queensland Government.

Fox Resources is establishing a Bundaberg Regional Reference Group to embed community feedback into every step of the development process, as part of our commitment to an open and consultative approach.

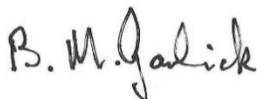
Notably, an independent poll has shown majority community support for a resources development that protects prime agricultural land and puts priority on local workers and businesses.

Bundaberg has one of the highest unemployment rates in Australia. The proposed mining operation would help diversify Bundaberg's economy, delivering valuable, high-paying new jobs while protecting the environment and local agriculture and delivering steel-making coal needed for the energy transition.

It is time for collaboration and consultation, so we can develop the best possible project for the benefit of the whole Bundaberg region.

Bundaberg Mayor Cr Jack Dempsey, Member for Bundaberg Tom Smith and the Liberal National Party's Stephen Bennett MP, we look forward to working with you to make this happen.

For media queries, contact Anthony Fensom on 0407 112 623.

A handwritten signature in black ink that reads "B. M. Garlick". The signature is written in a cursive, slightly slanted style.

Bruce Garlick

Company Secretary