



10 Abbotsford Street, West Leederville, Western Australia 6007
PO Box 1386, West Leederville Perth Western Australia 6901
Tel: 61 8 9318 5600
Web: www.foxresources.com.au

Seven Network (Operations) Limited

Unit 2, 77Barolin Street, Bundaberg South

7th October 2021

Dear Melanie,

Re: Your e mail dated 7th October 2021 requesting information from Fox Resources Ltd Mineral Development Project Application 3040

Thank you for contacting Fox Resources Ltd for comments on the MDLA 3040 application, I have addressed all the points that you have raised, refer below.

Regards

Bruce Garlick

CEO

- What is the application to the state government exactly for? (Would you be able to provide me a copy of this application or direct me to the correct place to find more information about the project).

The Mineral Development Licence Application is an Exploration permit that is issued in order to evaluate the development potential of the resource, and importantly it is not a right to commence the project. The term applied for is 5 years. The work program, if the MDL is granted, allows for geophysics in the first year, seismic surveys and drilling in years 2 to 5.

- What and how much would Fox Resources' mine in the area?

The application is for a Mineral Development Licence and not a Mining Lease. The Mineral Development Licence can be renewed for a further 5-year term after the initial granted term of 5 years. An MDL is a type of exploration permit and not a mining lease. The MDL allows us to conduct geoscientific programs (eg drilling, seismic surveys), mining feasibility studies, metallurgical testing and marketing, and environmental, engineering and design studies. All these studies are required before a mining lease can be considered. Fox's exploration is focused on high grade coking coal.

If a Mining Lease is applied for in the future, Fox will engage with The Department of Environment and Science, and community consultation will also be undertaken and all concerns will be addressed through consultation with all relevant stakeholders. There are no immediate plans for a mining lease.

- If approved what would be able to go ahead?
Refer above
- If approved when would the exploration work begin and how long would it last?

It is to be noted that exploration has already occurred within EPC 1523 since 2009. EPC 1523 is the underlying tenure to MDL 3040. Refer to the above section regarding the approved work program.

- What benefits would this project bring to the Bundaberg community?

There are no immediate plans for a mining lease as numerous studies still have to be completed. If a mining lease is applied for in the future, Fox will employ local workers and contractors and so benefit the local community.

- What are the expected environmental impacts?

The future exploration program will be the same as Fox Resources has been doing over the past 7 years. All drill holes which are the same as standard water bore exploration holes, are completed by being fully rehabilitated, with all completion work approved by The Department of Mines, The Department of Environment, and the Bundaberg Regional Council. If a mining lease is applied for in the future all environmental issues will be addressed at that time as mentioned above.

- Farmers and the local MP are concerned prime agricultural land will be destroyed, water will be impacted and the future of the food bowl will be threatened. They say a mine will drive away tourists and future investment in the region. What's Fox Resources' response to this?

Fox Resources has met various sections of the local farming community. If a Mining Lease is applied for in the future, further community consultation will be undertaken, and issues such as protection of prime agricultural land and water supply will be addressed. If a mining lease is applied for the operation will be an underground bord-and-pillar operation, and the surface footprint will be less than 100 Ha, which will have no impact on tourism or future investment in the region.