



ABN 44 079 902 499

FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2021**

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COMPANY INFORMATION

Directors

Mr D Wheeler	Non-Executive Chairman/Director (Appointed 6/3/2023, Chairman 9/6/2023)
Mr T Streeter	Non-Executive Director (Resigned Chairman 9/6/2023)
Ms L 'da Silva	Non-Executive Director (Appointed 14/2/2023, resigned 9/6/2023)
Mr S Formica	Non-Executive Director (Appointed 9/6/2023)
Mr E King	Non-Executive Director (Appointed 9/6/2023)
Mr B Garlick	Executive Director (Resigned 9/6/2023)
Mr G East	Non-Executive Director (Resigned 11/2/2022)

Company Secretary/Chief Financial Officer

Mr B Garlick

Registered Office

10 Abbotsford Street
West Leederville WA 6007
Telephone: (08) 9318 5600
Facsimile: (08) 9328 1380
ABN: 44 079 902 499

Share Registry

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Lawyers

Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

Bankers

Bank West
300 Murray Street
Perth
Western Australia 6000

Auditors

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco
Perth WA 6008

Website

www.foxresources.com.au

DIRECTORS' REPORT

The Directors of Fox Resources Ltd ('Fox Resources') present their Report together with the financial statements of the Consolidated Entity, being Fox Resources Ltd ('the Company') and its Controlled Entities ('the Group') for the half-year ended 31 December 2021.

Director details

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr D Wheeler	Non-Executive Chairman/Director (Appointed 6/3/2023, Chairman 9/6/2023)
Mr T Streeter	Non-Executive Director (Resigned Chairman 9/6/2023)
Ms L 'da Silva	Non-Executive Director (Appointed 14/2/2023, resigned 9/6/2023)
Mr S Formica	Non-Executive Director (Appointed 9/6/2023)
Mr E King	Non-Executive Director (Appointed 9/6/2023)
Mr B Garlick	Executive Director (Resigned 9/6/2023)
Mr G East	Non-Executive Director (Resigned 11/2/2022)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the six months ended 31 December 2021 was the exploration for coking coal.

FINANCIAL RESULTS

The loss of the consolidated entity after providing for income tax amounted to \$120,553 (2020: loss of \$554,694).

DIVIDENDS

No dividends were declared for the six months ended 2021 (2020: nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than disclosed elsewhere in the financial report, there were no significant changes in the state of affairs during the period under review.

OPERATIONS REVIEW

Exploration

Exploration activities are focused on increasing the current JORC Indicated and Inferred resources and tenement maintenance.

FINANCIAL REVIEW

The Group had all of its remaining exploration and tangible assets for sale in the 31 December 2021 six-month period. As at 31 December 2021 the Group has reported a loss after tax for the period of \$120,553 (2020 \$554,694), net outflows from activities of \$190,919 (2020 \$145,699), and a net deficit of \$5,465,112 (2020 \$5,344,559)

Events Subsequent to Reporting Date

On 24 October 2022 the Company signed a mandate with a stockbroking company to provide pre initial public offering (IPO) capital for the proposed re-listing of the Company on the Australia Stock Exchange (ASX). Once this is successfully completed funding will be raised as part of the IPO that will allow Fox Resources Ltd to re-list on the ASX.

The Company's director Mr.T.Streeter, and former directors Mr B Garlick and Mr.G.East have agreed in principle to sign a Deed of Settlement for the amounts owing to them or their respective Companies. The deed will be effective from 11 February 2022, and Performance Shares will be issued to them.

On the 5th July 2021 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Coal Pty Ltd to sell 6 shares in Fox Coal Pty Ltd for \$250,000 which were converted into shares on the 27th October 2022. The interest rate on the Convertible Note is 5 percent.

On the 14 March 2022 Fox signed a Convertible Note with Zimprops Coal Pty Ltd to sell 3 shares in Fox Coal for \$50,000 which was converted into shares on the 27th October 2022. The interest rate on the Convertible Note is 5 percent.

On 24 May 2022 Zimprops provided an advance of \$50,000 to Fox at 5% to meet future project expenditure. The terms of the advance are as follows: to fund future project expenditure.

On 6 March 2023 the Annual General Meeting was held and the following resolutions were approved: Terry Streeter and Carla da Silva were re-elected as Non-Executive Directors, David Wheeler was elected as a Non-Executive Director, the issued capital of the Company will be consolidated on the basis that every 44.1817 fully paid ordinary Shares in the capital of the Company will be consolidated into one fully paid ordinary Share, and Hall Chadwick Audit (WA) Pty Ltd were appointed as the auditors of Fox Resources Ltd replacing Grant Thornton Audit Pty Ltd.

On the 22nd April 2022 the Minister of Resources made a final unfavourable finding on Fox's Mineral Development Project Application 3040 (MDLA3040), on the grounds that the application is not in the public interest. Fox disagrees with this assessment and the matter was heard in the Supreme Court in Queensland. A decision should be made in approximately two months.

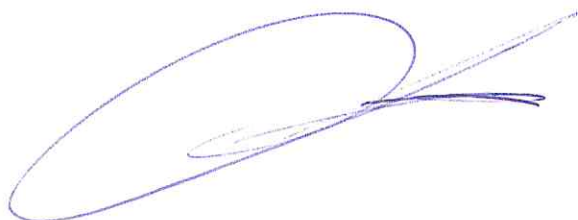
Likely Developments and Expected Results

The Board continue to seek new assets and funding opportunities for mining exploration projects.

AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001 requires the lead auditor from the Company's auditors, Hall Chadwick Audit (WA) 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 2021. A copy of the declaration is attached to this report.

For and on behalf of the board



TERRY STREETER
NON-EXECUTIVE CHAIRMAN
Dated: 12 July 2023

**CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Notes	Consolidated 31 December 2021 \$	31 December 2020 \$
Other income	3 (a)	5,157	78,246
Share revaluation (loss)/income		-	(54,072)
Gain/(loss) on the sale of assets		(28,021)	11,000
Employee expense		(25,353)	(22,623)
Consultancy expenses		(25,722)	(45,112)
Rental expenses		(4,497)	(15,005)
Insurance expense		(3,040)	(12,676)
Legal expenses		2,768	(19,672)
Accountancy and audit fees		(2,194)	(14,646)
Share registry and exchange expenses		(668)	(3,395)
Exploration expenditure written off		-	(254,105)
Other expenses		(2,149)	(23,110)
Finance costs	3 (b)	(36,834)	(179,524)
Loss before income tax		(120,553)	(554,694)
Income tax benefit		-	-
Loss from continuing operation		(120,553)	(554,694)
Loss after income tax expense for the year		(120,553)	(554,694)
Other Comprehensive Income			
Other comprehensive income for the year, net of tax		-	-
Total Comprehensive loss for the year		(120,553)	(554,694)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position as 31 December 2021

	Notes	Consolidated	
		31 December 2021	30 June 2021 Restated
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		33,285	2,020
Investments in listed securities	9	82,810	110,831
Other assets		5,319	14,512
Total Current Assets		121,414	127,363
Non-Current Assets			
Exploration and evaluation expenditure	4, 13	5,728,421	5,306,502
Total Non-Current Assets		5,728,421	5,306,502
Total Assets		5,849,835	5,433,865
Liabilities			
Current Liabilities			
Trade and other payables	5	2,601,126	2,522,213
Interest bearing liabilities	6	2,581,602	2,303,263
Provisions		38,327	12,960
Total Current Liabilities		5,221,055	4,838,436
Non-Current Liabilities			
Interest bearing liabilities	6	6,093,892	5,939,988
Total Non-Current Liabilities		6,093,892	5,939,988
Total Liabilities		11,314,947	10,778,424
Net liabilities		(5,465,112)	(5,344,559)
Equity			
Issued capital	8	125,976,992	125,976,992
Accumulated losses	13	(131,442,104)	(131,321,551)
Total Deficiency		(5,465,112)	(5,344,559)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Consolidated 31 December 2021	31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	45,979	99,547
Payments to suppliers and employees	(236,898)	(245,246)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(190,919)	(145,699)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration activities	(27,816)	(119,150)
Proceeds from sale of share investments	250,000	250,000
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	222,184	130,850
Net (decrease) / increase in cash and cash equivalents	31,265	(14,849)
Cash and cash equivalents at the beginning of the financial year	2,020	37,894
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	33,285	23,045

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

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Consolidated	Notes	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021	13	125,976,992	(131,321,551)	(5,344,559)
Loss for the period		-	(120,553)	(120,553)
At 31 December 2021		125,976,992	(131,442,104)	(5,465,112)
Balance at 1 July 2020		125,976,992	(133,658,490)	(7,681,498)
Loss for the period		-	(554,694)	(554,694)
At 31 December 2020		125,976,992	(134,213,183)	(8,236,192)

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

The financial report of Fox Resources Ltd for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 12 June 2023.

Fox Resources Ltd is a company limited by shares incorporated in Australia.

The nature of the operations and principal activities of Fox Resources Ltd is the exploration for minerals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2021 and are presented in Australian Dollar (\$AUD). These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2021 and any public announcements made by the Group during the half-year in accordance with the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 12 June 2023.

Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2021.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

3. OTHER INCOME AND FINANCIAL COSTS

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

	Notes	Consolidated	
		31 Dec 2021	31 Dec 2020
		\$	\$
(a) Other Income			
Sundry income		5,157	89,246
		<u>5,157</u>	<u>89,246</u>
(b) Finance costs			
Interest on loan from director-related and other entities		36,834	179,524
		<u>36,834</u>	<u>179,524</u>

4. NON-CURRENT ASSETS

	Notes	Consolidated	
		31 Dec 2021	30 June 2021
			Restated
		\$	\$
Movements in Exploration assets			
Balance at beginning of the period		5,306,502	2,492,882
Add: Capitalised expenditure		421,919	2,813,620
Balance at end of the period		<u>5,728,421</u>	<u>5,306,502</u>

5. TRADE AND OTHER PAYABLES

Trade Creditors	68,057	49,439
Director's fees	2,527,968	2,472,774
Other	5,101	-
Balance at end of the period	<u>2,601,126</u>	<u>2,522,213</u>

6. INTEREST BEARING LIABILITIES CURRENT

Convertible Note Zimprops Pty Ltd	255,959	-
Facility Agreement Zimprops Pty Ltd	220,954	220,954
Loan Jungle Creek Pty Ltd	1,200,000	1,200,000
Loan G. East	655,068	638,737
Loan B.Garlick	249,621	243,572
Balance at end of the period	<u>2,581,602</u>	<u>2,303,263</u>

(a) Terms and Conditions Interest Bearing Current Liabilities

On the 5th July 2021 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Pty Ltd to sell 6 shares in Fox Coal Pty Ltd for \$250,000 which will be converted into shares on the 27th October 2022, unless Fox Resources Ltd has repaid the Convertible Notes by that date. The interest rate on the Convertible Note is 5 percent.

On the 14th March 2022 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Pty Ltd to sell 3 shares in Fox Coal Pty Ltd for \$50,000 which will be converted into shares on the 27th October 2022, unless Fox Resources Ltd has repaid the Convertible Notes by that date. The interest rate on the Convertible Note is 5 percent.

The Facility Agreement Zimprops Pty Ltd relates to the purchase by Fox Resources Ltd of 50% of the shares in Gen Resources Pty Ltd, which owns the neighbouring tenements EPC 2195, and EPC 2196. This was funded by Zimprops Coal Pty Ltd via a Facility Agreement which gives Zimprops security over the tenements.

Fox Resources Ltd has entered into current unsecured loans at an interest rate of 8 per cent with Jungle Creek Pty Ltd, G.East and B.Garlick.

7. CONTINGENT LIABILITY

Fox Resources Ltd has an agreement with the lessor of the office premises that on the sale of the Project a payment will be made as part of an agreement to defer rent. The contingent liability is \$48,000; if the Project is not sold the contingent liability is extinguished. Covid rent relief of \$1,500 per month from 1 August 2021 will be repaid on the sale of the project.

8. CONTRIBUTED EQUITY

	Notes	Consolidated	
		31 Dec 2021	31 Dec 2020
		No.	No.
(a) Issued and paid-up capital			
Number of ordinary shares on issue		847,804,893	847,804,893
		31 Dec 2021	31 Dec 2020
		\$	\$
(b) Ordinary shares fully paid		125,976,992	125,976,992

9. EVENTS SUBSEQUENT

On 24 October 2022 the Company signed a mandate with a stockbroking company to provide pre initial public offering (IPO) capital for the proposed re-listing of the Company on the Australia Stock Exchange (ASX). Once this is successfully completed funding will be raised as part of the IPO that will allow Fox Resources Ltd to re-list on the ASX.

The Company director Mr.T.Streeter, and former directors Mr. B.Garlick and Mr.G.East have agreed in principle to sign a Deed of Settlement for the amounts owing to them or their respective Companies. The deed will be effective from 11 February 2022, and Performance Shares will be issued to them.

On the 5th July 2021 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Coal Pty Ltd to sell 6 shares in Fox Coal Pty Ltd for \$250,000 which were converted into shares on the 27th October 2022. The interest rate on the Convertible Note is 5 percent.

On the 14 March 2022 Fox signed a Convertible Note with Zimprops Coal Pty Ltd to sell 3 shares in Fox Coal for \$50,000 which was converted into shares on the 27th October 2022. The interest rate on the Convertible Note is 5 percent.

On 24 May 2022 Zimprops provided an advance of \$50,000 to Fox at 5% to meet future project expenditure. The terms of the advance are as follows: to fund future project expenditure.

On 6 March 2023 the Annual General Meeting was held and the following resolutions were approved: Terry Streeter and Carla da Silva were re-elected as Non-Executive Directors, David Wheeler was elected as a Non-Executive Director, the issued capital of the Company will be consolidated on the basis that every 44.1817 fully paid ordinary Shares in the capital of the Company will be consolidated into one fully paid ordinary Share, and Hall Chadwick Audit (WA) Pty Ltd were appointed as the auditors of Fox Resources Ltd replacing Grant Thornton Audit Pty Ltd.

On the 22nd April 2022 the Minister of Resources made a final unfavourable finding on Fox's Mineral Development Project Application 3040 (MDLA3040), on the grounds that the application is not in the public interest. Fox disagrees with this assessment and the matter was heard in the Supreme Court in Queensland. A decision should be made in approximately two months.

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2021 and 31 December 2020 on a recurring basis are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2021				
Assets				
Listed securities and debentures	180	-	-	180
Total	180	-	-	180
Net fair value	180	-	-	180
31 December 2020				
Assets				
Listed securities and debentures	180	-	-	180
Total	180	-	-	180
Net fair value	180	-	-	180

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

- a Listed securities, debentures and money market funds

Fair values have been determined by reference to their quoted bid prices at the reporting date.

11. 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:

As at 31 December 2021, the Company owed Jungle Creek Gold Mines Pty Ltd, of which T.Streeter is a Director, \$7,293,892, including accrued interest of \$3,477,657. The terms of the loan is that interest is accrued at a rate of 8% per annum with the loan (including accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 31 December 2021 including interest being \$7,923,892. Jungle Creek Pty Ltd may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval by the issue of shares. Jungle Creek Gold Mines Pty Ltd also had a security interest registered over the consolidated entity's Queensland coal tenements; this was discharged in November 2018. Jungle Creek Gold Mines Pty Ltd agreed to extend the loans outstanding at 31 December 2021 \$7,293,892 (\$6,988,593), and to continue to defer repayment of the loan until there are surplus funds available to repay the loans, and interest.

As at 31 December 2021 the Company owed Garry East a former Director of the Company \$655,068 including accrued interest of \$250,128. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 31 December 2021 including interest being \$655,068. Mr East may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Mr East agreed to extend the loans outstanding at 31 December 2021 \$655,068 (\$622,672), and to continue to defer repayment of the loan until there are surplus funds to repay the loans, and interest.

As at 31 December 2021 the company owed Bruce Garlick a former Director of the Company \$262,800 including accrued interest of \$99,621. The term of the loan is that interest is accrued at a rate of 8% per annum with the loan (including any accrued interest) repayable within one month. The loans remain unpaid at the date of this report, with the total balance at 31 December 2021 including interest being \$262,800. Mr Garlick may elect for the loan (including accrued interest) to be repaid, subject to shareholder approval, by the issue of shares. Mr Garlick agreed to extend the loans outstanding at 31 December 2021 \$262,800 (\$237,620), and to continue to defer repayment of the loan until there are surplus funds to repay the loans, and interest.

Other related party transactions:

At 31 December 2021, the following amounts were payable to directors and ex directors for directors' fees:

T E J Streeter: \$1,599,679:(including \$138,804 relates to superannuation contribution).

G East: \$646,125,(including \$57,177 relates to superannuation contribution).

B M Garlick: \$262,800,(including \$22,216 relates to superannuation contribution).

L da' Silva: \$19,364, (including \$2,611 relates to superannuation contribution).

There were no other related party transactions during the period.

Mr Streeter, Mr East, and Mr Garlick agreed to continue to defer repayment of the directors' fees until there are surplus funds to repay the fees.

12. 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 2021 the Group has reported a loss after tax for the period of \$120,553 (2020: \$554,694), net cash outflows from activities of \$190,919 (2020: \$145,699) and a deficiency in net assets of \$5,465,112 (2020: \$5,344,559)

In addition to the above, given the Directors confirmation to defer repayments of related party debts the ability of the Group to continue as a going concern is additionally supported by the following:

- Fox Resources Ltd sold 19 shares in Fox Coal Pty Ltd on the 14th April 2021, resulting in Fox Resources owning 81.91% of Fox Coal Pty Ltd. The total proceeds for the two tranches were \$450,000.
- On the 5th July 2021 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Coal Pty Ltd to sell 6 shares in Fox Coal Pty Ltd for \$250,000 which will be converted into shares on the 27th October 2022, unless Fox Resources Ltd has repaid the Convertible Notes by that date. The interest rate on the Convertible Note is 5percent.
- On the 14th March 2022 Fox Resources Ltd signed a Convertible Note Deed with Zimprops Coal Pty Ltd to sell 3 shares in Fox Coal Pty Ltd for \$50,000 which will be converted into shares on the 27th October 2022, unless Fox Resources Ltd has repaid the Convertible Notes by that date. The interest rate on the Convertible Note is 5percent.
- On the 27th May 2022 Fox Resources Ltd received an advance of \$50,000 from Zimprops Coal Pty Ltd to meet project expenditure, and this will be repaid on the 27th October 2022, unless Fox Resources Ltd has repaid the advance by that date. The interest rate on the advance is 5percent.
- If required the Group has the ability to further sell down their shares in Zimprops Coal Pty Ltd (subject to market conditions);
- The Group has signed a Pre-IPO funding agreement with a Broker to fund the submission to re-list Fox Resources Ltd on the ASX, followed by a capital raising.
- The Group as at 31 December 2021 held nine hundred and five thousand shares (905,000) in St George Mining Limited. The market value of these shares as at 31 December 2021 was \$56,110. In addition the Company held one million and sixty eight thousand shares (1,068,000) in Estrella Resources Ltd. The market value of these shares as at 31 December 2021 was \$26,700. The shares have been progressively sold to fund working capital and exploration programs on the company's coal asset EPC 1523.

Based on the Directors continued financial support and confirmation that cash inflows generated from the activities detailed above will be utilised for exploration and evaluation of existing assets, prospecting and exploring new projects and working capital, the Directors of the Group are confident the financial report is prepared on a going concern basis.

Furthermore, the impacts of the COVID-19 coronavirus outbreak, which occurred subsequent to period-end, is uncertain. However, it is possible that there will be subdued activity during the year.

In the event that the Group is unable to raise additional working capital, if required, or the value of the shares described above materially decreases in value and if the Group is unable to sell shares in the Project, 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.

13. Restatement of Comparatives

As disclosed in the Directors report, the company has entered into a mandate with a stockbroking company to provide pre IPO funding to assist the company in its re listing on the Australian Stock Exchange. It is now not the Group's intention to dispose of the asset and will continue to explore and develop the asset. In accordance with AASB 5 as the asset no longer meets the classification as held for sale the asset was re classified at June 30 2021 from held for sale to Exploration and Evaluation Expenditure and will be accounted for in accordance with the Requirements of AASB 6 - Exploration for and Evaluation of Mineral Resources. At the time of issuing the 30 June 2021 Financial Statements, the Board had not had sufficient time to reinstate the carrying value of the asset to represent the true costs incurred on the project. The board has now determined the costs the following adjustments are required.

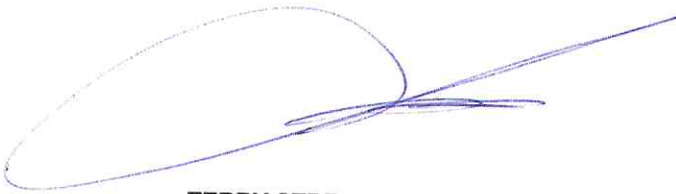
Exploration and evaluation expenditure as at June 30 2021	\$2,492,882
Reinstatement	<u>\$2,813,620</u>
	\$5,306,502
Accumulated Losses as at June 30 2021	(\$134,135,171)
Reinstatement	<u>\$2,813,620</u>
Accumulated Losses July 1 2021	\$(131,321,551)

DIRECTORS' DECLARATION

In the opinion of the Directors of Fox Resources Ltd:

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 2021 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.

Signed in accordance with a resolution of the Directors:



TERRY STREETER
NON-EXECUTIVE CHAIRMAN

Dated: 12 June 2023

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Fox Resources Ltd for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully



HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682



MICHAEL HILLGROVE CA
Director

Dated this 12th day of June 2023
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FOX RESOURCES LTD

Report on the half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Fox Resources Ltd (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 12 in the half year financial report, which indicates that the Consolidated Entity incurred a loss after tax for the period of \$120,553 (2020: \$554,699), net cash outflows from activities of \$190,919 (2020: \$145,699) and a deficiency in net assets of \$5,344,559 (2020: \$5,465,112).

As stated in Note 12, these events or conditions, along with other matters as set forth in Note 12, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company 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 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2021 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.

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.



HALL CHADWICK AUDIT (WA) PTY LTD
ABN 42 163 529 682



MICHAEL HILLGROVE
Director

Dated this 12th day of June 2023
Perth, Western Australia