

FACTSHEET – ABOUT MDL 3040 AND FOX RESOURCES

PART 1 – Vs 4 – updated 27 July 2021

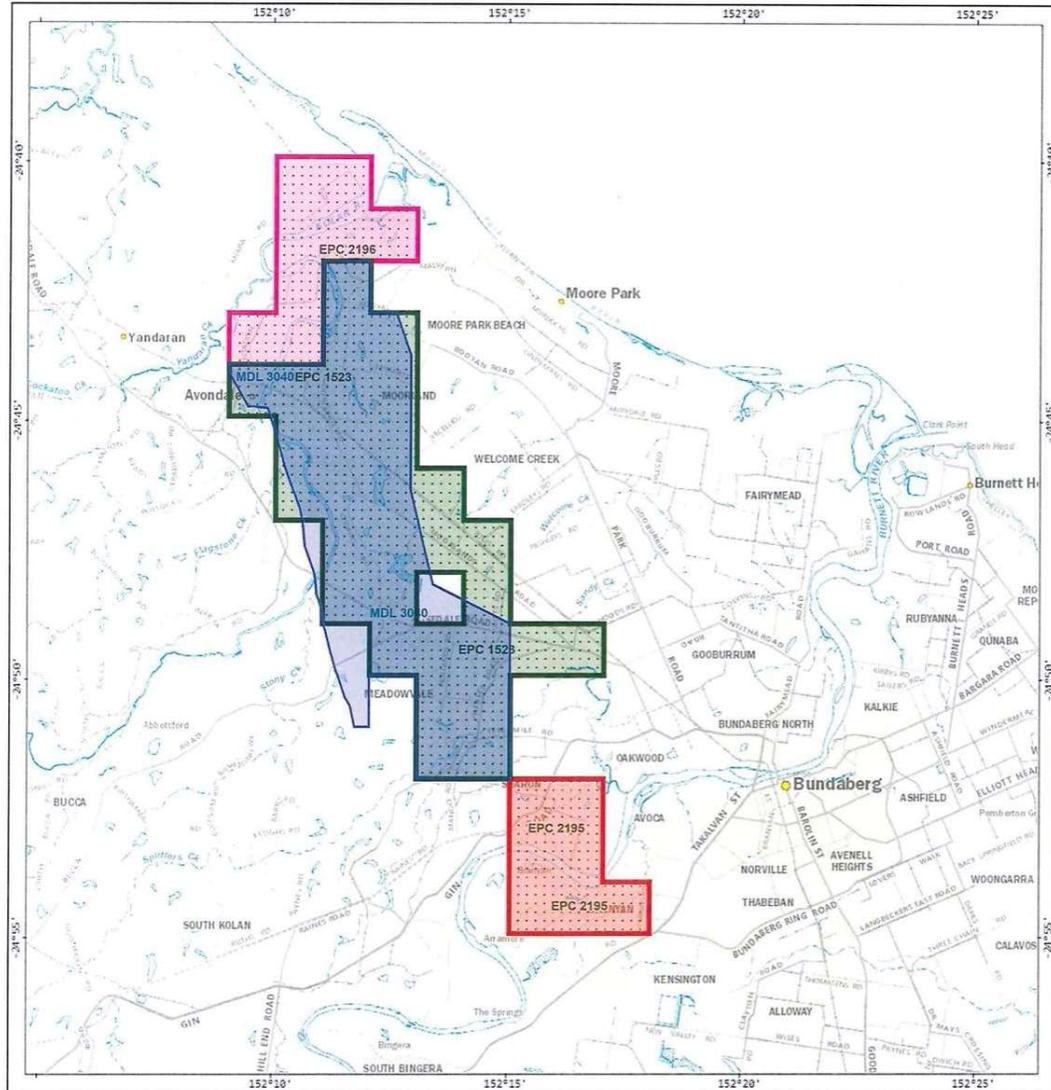
Area covered

Fox Resources has expanded the area to be covered in their application for a Mineral Development Licence, MDL3040. The expanded area consists of: Exploration Permit Coal EPC 2195, EPC 2196 and MDL 3040. It now covers 7,818 Hectares and stretches from the corner of the Ring Road and Childers Road, including parts of the suburb of Branyan, in the south to Miara in the north.

The boundaries cross the Burnett river and the Kolan river multiple times.

Fox Resources Limited

EPC 2195 EPC 2196 EPC 1523 & MDL 3040



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About Fox Resources Ltd

Fox Resources is an unlisted public exploration company - ABN: 44 079 902 499. Its Exploration Program covers a prospective coking coal deposit in Queensland. Fox has no other known assets.

Its directors are:

Terry Streeter, Chairman & Non-Executive Director, (living in London).

Garry East, Non-Executive Director (living in Perth).

Bruce Garlick Director and Chief Executive Officer (living in Perth).

Fox Resources listed on the ASX in 2002 but was restructured and delisted in 2017 when its share price was down to \$0.001. All its assets were sold except for a 50% interest in a 132Mt inferred resource of high-grade coking coal project near Bundaberg, Queensland. Fox holds a 50% interest

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in two adjacent areas with Zimprops in EPC 2195 and 2196, the pink areas. Zimprops is a private company registered in WA at Fox's address, whose directors live in NZ. Fox had an accumulated net debt of **-\$7,681,487** at 30 June 2020 which continues to be supported by the Directors for another 12 months, starting 20 December 2020. *"The board continues to seek asset sale and funding opportunities for mining exploration projects."*ⁱ

Recent exploration

On 20 May 2019 Fox announced a drilling contract for up to 14 holes. On 26 August it reported that the drilling program had been completed. With the added area, the total tonnage of inferred resources is stated as 129.4Mt with an additional exploration target of 25 to 80Mt.ⁱⁱ

Other stakeholders

Bundaberg Coal is understood to still be the other holder of the 50% in EPC 1523, the blue core of the application area. Companies mentioned in relation Bundaberg Coal are: *Cliff's Natural Resources, Conarco Minerals Pty Ltd, XLX Pty Ltd.*

Cliff's Natural Resources Pty Ltd is a wholly owned subsidiary of *Cleveland-Cliffs Inc*, a United States-based iron ore mining company. *Conarco Minerals Pty Ltd* is owned by, or closely associated with, Gina Rhinehart's *Hancock Prospecting Limited*. *XLX Pty Ltd* is an independent, Australian investment group specialising in the resources and energy sectors, <https://xlx.com.au>.

An MDL allows:

- Levelling of drilling pads and digging sumps;
- Bulk sampling;
- Open trenching or costeaning with an excavator;
- Earthworks associated with pipeline installation;
- Vegetation clear-felling;
- Constructing an exploration camp, concrete pad, sewage, water treatment facility, a fuel dump;
- Geophysical surveying with physical clearing;
- Carrying out a seismic survey using explosives;
- Constructing a track or access road or changing a fence line.

There are no limits on these activities, such as the number, the diameter or the depth of test bores, or the number, depth and width of trenches or pits.

The only limitation on MDL holders is that they must give the owner of the land five days' notice before entering the property.

Promoting the Project

Fox's claims about the importance of the deposit and the advantages of the local area in which they are located can be found at: <http://foxresources.com.au/pdf/FXR-AGM-VER-A-10-August.pdf>

The section about Project Location describes it as *'immediate Northwest of the township of Bundaberg, ...supported with excellent infrastructure, including existing rail-networks and port facilities,in an ideal location to preferentially source labour in a 'lifestyle' mining location on the Eastern Coast of Australia. ... a key asset in attracting and retaining personnel.*

Wider effects

Fox made no mention of the current land use of the area or of the effects a mine will have on its environment. These effect will be on:

- Underground water, the lifeblood of very high value agriculture and horticulture, employing many 100's of employees in sustainable jobs.
- The health of the 93,000 people in Bundaberg, one of the ten largest towns in Queensland.
- Huge volumes of contaminated waste water dumped next the Great Barrier Reef.
- Tourism, including the world-renown Mon Repos turtle centre.
- Property values.

These are discussed in *Part (2) Seawater intrusion* and *(3) Damages from Fox's MDL 3040*.

Next step for Fox

Should the results from the Mineral Development Licence justify it, Fox can apply for a Mining Lease over the area. In Queensland these are routinely granted. Of 43 companies that applied for a Mining Lease in similar situations, all have been granted one. If a coal mine next to Bundaberg is to be stopped, it should be done now. **Application MDL3040 needs to be dismissed.**

ⁱ<https://www.foxresources.com.au/pdf/SIGNED%20Fox%20Resources%20Limited%2030%20June%202020.pdf>

ⁱⁱ<https://www.foxresources.com.au/pdf/bg%20final%203%20dec%202020%20Web%20release%20mbedits%2020201203.pdf>