



CHAIRMAN'S JUNE 2013 QUARTERLY UPDATE TO SHAREHOLDERS

Dear Shareholder

The past Quarter has been a challenging one for the entire resources industry and particularly so for the juniors. In this environment of falling commodity prices, global economic malaise and the continuing decline in the appetite for funding explorers, the Foyson Board and management have been actively pursuing your interests and achieved some encouraging progress, including:

- **Confirmation from TVI Pacific Inc. to fund its commitments under Tranche 2 through future placements and the completion of the Phase 1 funding of the Amazon Bay Project;**
- **Enhancement of the Company's profile in Papua New Guinea, with positive written support from the Papua New Guinea Government for our endeavours at Amazon Bay and elsewhere in the country;**
- **Advancement of the Amazon Bay Project with the instigation of a Scoping Study to better define the Project development and economics;**

Tranche 2 and Amazon Bay

Foyson holds a highly attractive portfolio of assets but the current market situation has been affected by the delays in TVI's investment in Foyson.

TVI remains committed to its investment in Foyson and is enthused about the quality of our assets. TVI has already subscribed for over 10% of the issued shares in Foyson and provided substantial funding for stage 1 of the Amazon Bay Joint Venture. TVI's current investment in Foyson exceeds \$3million and they are now prepared to inject a further \$1.8 million through additional share placements to match the Tranche 2 commitment and ongoing funding at Amazon Bay for Phase 1.

TVI is currently restructuring its own funding requirements to allow for the development of two new resource projects in the Philippines, and the parties have been cooperating closely to accommodate the realities of this restructuring in the current resources market. The Board of Foyson has previously provided TVI with relief for several deadlines because Directors considered that this was in the best interests of our shareholders. This decision was taken having regard to TVI's technical expertise and established operating capabilities in the Philippines, as well as the fact that this was the most attractive funding source at the time, and that the Tranche 2 funding was at a material premium to the prevailing Foyson share price.

Foyson and TVI have reached an agreement, subject to TVI successfully completing its own funding restructuring, to complete the remaining \$900,000 placement under Tranche 2 at 0.7cents, on terms consistent with those announced previously. The placements to match Tranche 2 will be received in two payments, one for \$315,000 within 10 days of TVI completing its current funding restructuring,

and the remainder of \$585,000 within 10 days following the Annual General Meeting, assuming shareholder approval for the placements to match Tranche 2 is received at the AGM.

As part of the amended funding arrangements, the Company has agreed to make an early repayment of 50% of the \$600,000 unsecured convertible loan from TVI, payable from the final placement proceeds following the AGM.

With respect to the Amazon Bay Project, and subject to TVI completing its funding restructuring, TVI will complete the funding of \$2 million for Phase 1 by 31 December 2013. However with its own development pressures in the Philippines, TVI has agreed that Foyson will take back the project management responsibility, at least for the current operating stage.

TVI will fund the \$300,000 Amazon Bay option fee, within 10 days of completing its current funding restructuring, to preserve the Company's right to acquire the remaining 50% interest in the Amazon Bay Project.

PNG Government Support

In light of the poor market for junior explorers, the Company was very encouraged that the PNG Minister for Mining, Hon Byron Chan MP, advised the Company in writing on 17 July 2013 of his continuing support and confidence in Foyson and its management team, operating through Titan Mines Limited and Titan Metal Limited in PNG. The Minister also confirmed his support, in his official role of Minister for Mining, for the renewal of the critical tenements at Amazon Bay, specifically EL1396, and the granting of the new licence applications at Amazon Bay.

In addition, the Company has met several times with the PNG Minister for State Enterprises, Hon Ben Micah MP and his Department, to discuss the Amazon Bay project and its importance to the industrial development of PNG. Foyson is currently preparing a technical appraisal of the Project (see below) as a basis for further discussion with the Department, regarding the development requirements and the potential involvement of the Government.

Scoping Study

The Company has commissioned a Pre-Feasibility Scoping Study on the Amazon Bay Project to better define project economics and the development requirements. This Study will be conducted by Perth based Engenium, an experienced engineering and project management group, which was primarily selected due to its highly relevant and recent work on the Bankable Feasibility Study for the Amex Resources iron sands project on Fiji. Engenium will be able to provide current comparative costing from another South Pacific island operation, which has similar development parameters and minimal local infrastructure.

The Study will be based on evaluating production "modules" of between 1.0mtpa and 1.5mtpa of Heavy Mineral concentrate, produced by an integrated floating dredging and processing facility. These size modules have been selected to allow the progressive development of the Project, without incurring an initial significant capital cost which would make the project difficult to finance.

The Study is relevant to the ongoing discussions with the PNG Government, to meeting our tenement requirements, and as a basis for discussions with potential off take partners and strategic financiers.

The Company has several site visits organised for the next Quarter with interested groups, which reaffirms the attraction of the Project despite the difficult investment climate.

Amazon Bay Operations

The Company was forced to defer its proposed sonic drilling program whilst the revised arrangement were agreed with TVI, however an active site program will be conducted at Amazon Bay in the next Quarter, including further metallurgical sampling and data collection for the Scoping Study including logistics, community and baseline environmental data.

General

The Board and management remain vigilant about cost control, and discretionary spending has been eliminated. The provision of the TVI placement will provide funding for this financial year, and it is the Company's objective to strategically progress its PNG assets.

On behalf of the Board, I thank Shareholders for their support during very difficult times and I can reassure you that the Board and management are striving to ensure the success of the Company and your investment.

Kind regards



Doug Halley
Chairman
31 July 2013

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ABOUT FOYSON RESOURCES LIMITED

Foyson Resources Limited (ASX: FOY) is focussed on mineral resources opportunities in Papua New Guinea. The Company holds a 50% interest (and an option over the other 50% interest) in a major iron sands exploration target at Amazon Bay, located 170km south east of Port Moresby.

The Company is also exploring for gold and copper in 100% owned licence areas, covering over 8,000 square kilometres, and has completed a successful drilling program and IP survey on a copper porphyry system at Atui, in south New Britain.