

31 October 2014

Quarterly Report for the period ending 30 September 2014

- Continuing to assess acquisition opportunities
- Sell down of Rookwood to Zenith Minerals
- Cash expenditure being kept to a minimum

Rookwood

On 7 July 2014, Fitzroy announced the sell down of its Rookwood property to Zenith Minerals Limited ("Zenith"). The decision to sell Rookwood is consistent with Fitzroy's change in focus toward US coking coal and the 2013 purchase of its Emmaus and Blackstone properties in West Virginia, USA.

Terms of the transaction

Key Terms of the Develin Creek Sale and Option Agreement are as follows:

- Up-front cash payment of \$200k and 0.5 million ordinary Zenith Minerals Limited shares to purchase 51% equity,
- An exclusive 24 month period within which Zenith has the option to purchase the remaining 49% equity in the Devlin Creek project at Zenith's election, the 24 month period will include an automatic extension period when there is bona fide no or limited access to the project site due to major rainfall events or events beyond Zenith's control,
- An option exercise fee of \$300k cash and 3 million ordinary Zenith Minerals Limited shares to acquire the remaining 49% equity,
- If after 24 months Zenith decides at its absolute discretion not to purchase the remaining 49% equity, then:
 - The companies will either form a joint venture to progress the evaluation of the project with normal industry contribution and dilution clauses or
 - Fitzroy has a one-off opportunity to buy-back 100% of the project for cash consideration equal to the greater of \$200k or 50% of the total expenditure incurred by Zenith during the option period.
- Zenith must sole fund the exploration activities during the 24 month period.

Zenith Quarterly

In its Quarterly Activity statement released 24 October 2014, Zenith has provided the following information regarding its drilling program:

Subsequent to the end of the quarter the Company (Zenith) announced (ASX Release 7th October 2014) the commencement of drilling and systematic geochemical sampling programs at the Develin Creek base metals project. The drilling is the first in 20 years at the Scorpion and Window deposits and aims to extend the known deposits as well as provide material for initial sighter metallurgical testwork.

Zenith also commenced an update to the resource estimate to include the Fitzroy Resources Limited 2010-2011 drill results that have not yet been incorporated in the current resource estimate. The Company will likely defer any announcement on this resource estimate so that new results from the current drill program may be included in the revised estimate.

Planned Activities

The current drilling program of up to 10 – 15 RC holes should be completed in late October and analysis of drill samples will take approximately 2-3 weeks. Selected drill holes will also be cased so that they may be subject to future downhole electromagnetic surveys to assess if there are any additional conductive bodies such as massive copper-zinc sulphides within proximity to the new Zenith drill holes.

Systematic soil geochemical programs are ongoing and it is anticipated that analytical results from these samples will be available in late November, to date over 3000 samples have been collected. Historically there has been little to no systematic geochemical soil sampling over much of the prospective target horizon, so the Zenith program will be the first to provide effective geochemical coverage.

A detailed review of historic geophysical programs has also commenced. Previous electrical geophysical surveys, mostly completed 20 years ago can detect both the massive copper-zinc sulphides and the underlying pyrite rich stringer zone mineralisation at Develin Creek, confirming that these are appropriate exploration tools for further use. The review will involve re-processing the historic geophysical data using modern computer techniques and integrating them along with historic prospect scale mapping and geochemical data into the Company's three dimensional exploration model.

Business development update

In light of Fitzroy's cash position, the Company has maintained its focus on keeping costs under control this quarter while continuing to examine additional project opportunities.

During the period, Fitzroy conducted due diligence on several projects in the Central Appalachian Basin. Of significance, Fitzroy entered extensive negotiations on a near production asset within Kentucky, USA. A commercial agreement was not successfully reached.

The Company recognises that its future will require the acquisition of a new project and will continue to focus its efforts on identifying and assessing potential acquisition targets.

Resignation of CEO

Benjamin Lane has stepped down from his full time position, effective 30 November 2014. Benjamin will consult back to the Company in its management of the US assets until a suitable replacement has been appointed to his position.

Corporate

The Company notes that its cash position as at 30 June 2014 as reported in the accompanying Appendix 5B was approximately \$189,000.

The Directors are continually assessing the Company's capital requirements to ensure that the Company has sufficient funds in order to continue its operations. The current cash balance is expected to be sufficient to meet forecast expenditure for the remainder of the year.

For further information contact:

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Mr Simon Robertson
 Company Secretary
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Tenement Schedule

Project	Location	Tenement	Interest
Rookwood	Queensland	EPM17604	49%
Rookwood	Queensland	EPM18845	49%
Rookwood	Queensland	EPM16749	49%
Glentanna	Queensland	EPM15401	100%

Coal Lease	Location	Land Owner	Lease Date	Interest
Emmaus	WV, USA	Kim Peraldo Gilley, et al., Trustess	24/7/2012	100%
Emmaus	WV, USA	Harrold Investment, LP	23/8/2012	100%
Emmaus	WV, USA	Red Bird Pocahontas Land, LLC	26/9/2012	100%
Emmaus	WV, USA	C.O. Davis, Jr., et al.,	21/11/2012	100%
Blackstone	WV, USA	Marco Land Company, Inc	26/9/2012	100%

About Fitzroy Resources

Capital Structure (30 September 2014)

Share Code	ASX: FRY
Shares on Issue	120.0 Million
Options	6 Million
Performance Shares on issue	20 Million

Directors and Management

Tom Henderson, Chairman
Will Dix, Director
Ric Vittino, Director
Russell Lynton-Brown, Director
Benjamin Lane, Chief Executive Officer
Simon Robertson, Company Secretary

Projects

Emmaus: Hard Coking Coal Property West Virginia, USA 100km S of Charleston, WV	Rookwood: VHMS copper/gold prospect 70km NW of Rockhampton, Qld
Blackstone: Hard Coking Coal Property West Virginia, USA 100km S of Charleston, WV	Glentanna: VHMS copper/gold prospect 140km SW of Brisbane, Qld

Fitzroy Resources Ltd is an Australian based coal development company, with two hard coking coal projects in West Virginia, USA.

Fitzroy's main focus is to explore the coal potential of the Emmaus and Blackstone projects for hard coking coal and to rapidly develop into a producer of hard coking coal to the US domestic and export markets.

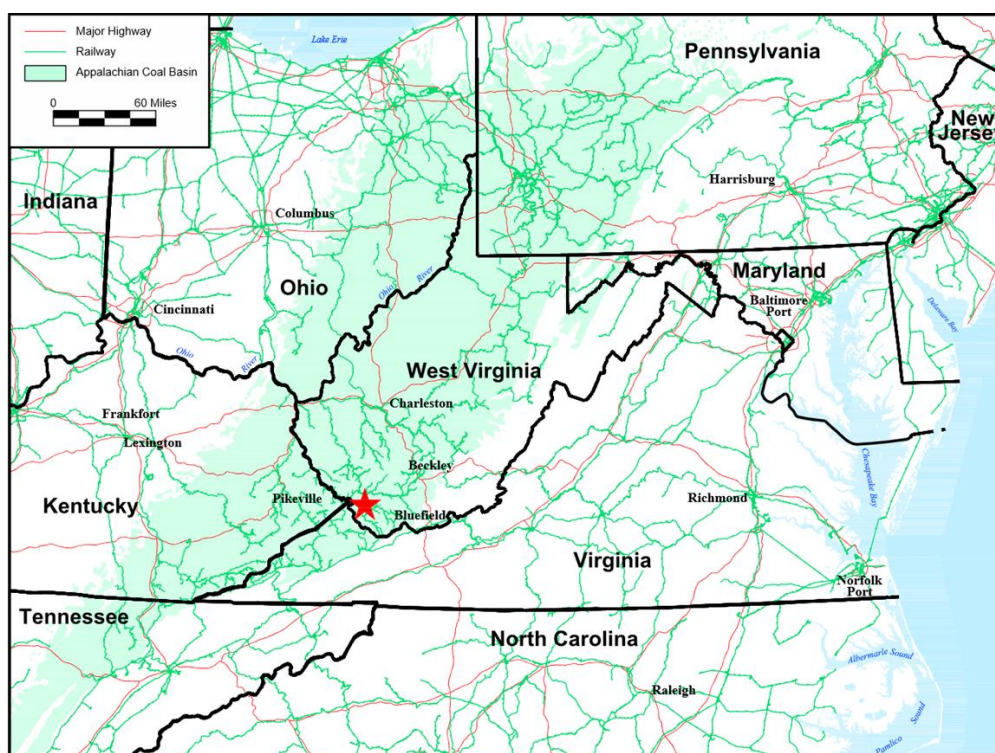


FIGURE 1 – LOCATION OF EMMAUS AND BLACKSTONE

Fitzroy also owns the Glentanna tenements and retains a 49% interest in the Rookwood tenements in Queensland, Australia.