

## Quarterly Activities Report (Quarter ended 30 June 2017)

### **Highlights:**

- **Announcement of On Market Buy-back of up to 9,000,000 Shares;**
- **Change on Tenement Ownership under Buru-Mitsubishi JV a Positive for Fitzroy; and**
- **Buru Energy Announces Recommencement of Production – currently 1,250 bopd.**

Fitzroy River Corporation Ltd (**Fitzroy, FZR or Company**) reports on its activities during the 3 months ended 30 June 2017.

### **A) Corporate:**

#### **1. On-market Share Buy-back**

During the quarter on 5 June, the Company announced the introduction of an on-market share buy-back of up to 9,000,000 Shares which represents approximately 10% of the shares on issue. The Board considers that its cash position at the end of the March quarter of \$4.28 million is more than it will be able to invest in new royalty style investments within the next 12 months and that shareholders would benefit from a share buy-back in the current market environment.

The buy-back gives Fitzroy the flexibility to buy back the Company's ordinary shares in circumstances where it is beneficial to the efficient capital management of the Company. The buy-back is therefore dependent on market conditions, volumes, price and other relevant conditions from time to time. As at the date of this quarterly report the Company has brought back a total of 49,728 shares. The buy-back may take place anytime up to 21 June 2018 unless terminated earlier.

#### **2. Summary of Announcement to the ASX During the Quarter:**

<b>Date:</b>	<b>Announcement</b>
26 April	Quarterly Cashflow and Activities Reports
28 April	Change of Directors' Interest Notice – Susan Thomas
8 May	Details of Company Address
26 May	Change to Tenement Ownership a Positive for Fitzroy
5 June	On Market Buy-back and Appendix 3C

28 June	Daily share buy-back notice – Appendix 3E
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*Table 1: Summary of ASX releases by Fitzroy during the June Quarter.*

**3. Royalties and Other Income:**

During the quarter the Company did not receive any royalty payments or adjustments from previous quarters under either of its two royalty deeds.

**4. Shareholders**

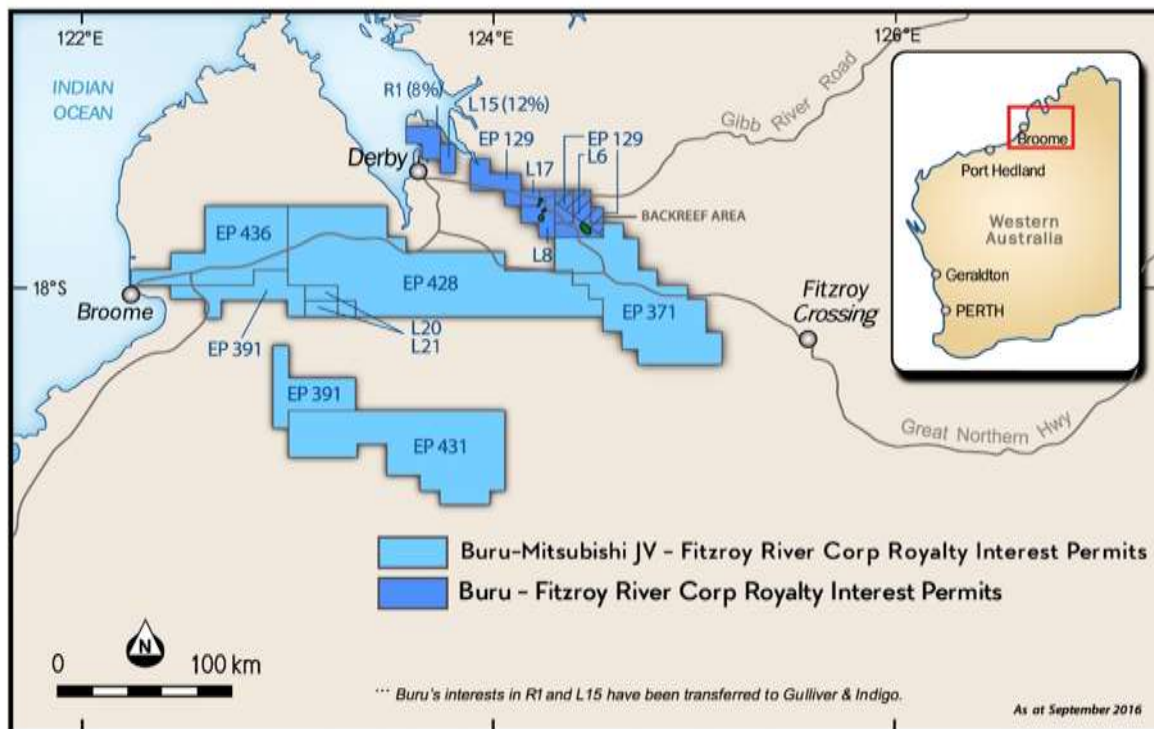
Fitzroy has 90,738,566 ordinary shares on issue, held by 927 registered shareholders.

**B) Projects and Assets**

**1. Royalty deeds:**

Fitzroy holds royalty interests in several permits in the Canning Basin via 2 separate Royalty Deeds, the Canning Basin Royalty deed and the Lennard Shelf Royalty Deed.

*Figure 1: Map of Tenements over which Fitzroy has a royalty prior to change in ownership under the 'Transformational Transaction' announced by Buru on 25 May 2017.*



The map above shows the location of all the Company's royalty interests with those under the Canning Basin Royalty shown in light blue and with those shown in dark blue being the areas are under the Lennard Shelf Royalty. The map shows the current ownership of the tenements however noting that the ownership of Permits EP 391, EP 431, EP 436, EP 371, EP 428 and Production Licences L20 and L21 will change upon completion of the 'Transformational Transaction' announced to the ASX by Buru on 25 May 2017 (refer section 2 below).

Permits EP 391, EP 431, EP 436, EP 371, EP 428 (2% Royalty) (all currently part of the Buru-Mitsubishi JV but subject to the 'Transformational Transaction') are the 5 State Agreement permits and are exempt from the requirement to relinquish 50% of the blocks as part of the renewal application process.

## **2. Buru Energy Announcements:**

On 25 May Buru announced what it described as a 'Transformational Transaction' in which Buru stated that *"... it has entered into a transformational transaction with its joint venture partners Diamond Resources (Fitzroy) Pty Ltd (DRF) and Diamond Resources (Canning) Pty Ltd (DRC) which are both wholly owned subsidiaries of Mitsubishi Corporation on its exploration and production assets in the Canning Basin in the northwest of Western Australia."*

The announcement further states in relation to Buru, DRF and DRF, that the transaction is an *"...Asset swap to allow each company to achieve their corporate objectives by focusing on the areas where they have the most appropriate technical and commercial capability..."*

While it is noted there are still some conditions required for completion of the transaction, Fitzroy notes that there will be no change to its royalty interests with the only change being to the ownership of some of the tenements over which Fitzroy has a royalty as identified in the table in section 4 below.

The Company's interests in R1 and R15 which also fall under the Canning Basin Agreement and EP 129, L6, L8 and L 17 which fall under the Lennard Shelf Agreement are not affected by the transaction.

Fitzroy believes this transaction will potentially reduce the time to commercialization of these significant oil and gas assets from which Fitzroy will benefit as a royalty owner when they become production assets.

During the quarter, Buru also announced that it had restarted production on the Ungani Oilfield with the aim of ramping up production to an initial target rate of 1,250 bopd. Buru's presentation released post the end of the quarter on 20 July 2017 states: *"Ungani Oilfield in early stages of production with 2 producing wells on natural flow at ~1,250 bopd with pathway to 3,000 bopd..."*. Fitzroy believes that with Ungani production at ~1,250 bopd (current phase) and targeted to increase to ~1,500 bopd (Phase 2) and ~3,000 bopd (Phase 3), its royalty has the potential to become a very significant revenue producing asset given its 2% net royalty from production on the tenements over which it has a royalty.

In terms of its forward work program, in the near-term Buru has said that it plans to drill Ungani 3 and Ungani 4 in Q4 2017.

**3. Exploration, development and production activities:**

Fitzroy did not have any direct activities of this nature during the Quarter with the focus on the on-market buy-back however the Company remains active in seeking investment opportunities by way of additional royalty interests, free carried interests and minor equity positions.

**4. Petroleum tenement and farm-in agreement information:**

Canning Basin Royalty Deed (subject to completion of the Asset Swap Agreement):

EP or PL #	Date Issued	Expiry	Area (km2)	Held by (50% each unless otherwise stated)	Post
EP 391	1 Feb. 2015	31 Jan. 2020	2,274.7736 (26 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
EP 371	31 July 2014	30 July 2019	3,663.2577 (45 blocks)	Buru Energy Limited/ Diamond Resources (Canning) Pty Ltd	Diamond Resources (Canning) Pty Ltd (50%)/ Diamond Resources (Fitzroy) Pty Ltd (50%)
EP 428	31 July 2014	30 July 2019	6,431.9741 (79 blocks)	Buru Energy Limited/ Diamond Resources (Canning) Pty Ltd	Buru Energy Limited
EP 431	31 July 2014	30 July 2019	4,211.4604 (52 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
EP 436	31 July 2014	30 July 2019	2,404.1372 (30 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited/ Diamond Resources (Fitzroy) Pty Ltd	Buru Energy Limited
R 1	11 Oct 2016	10 Oct 2021	245.1571 (3 blocks)	Gulliver Productions Pty Ltd (85.23%)/ Indigo Oil Pty Ltd (14.77%)	Gulliver Productions Pty Ltd (85.23%)/ Indigo Oil Pty Ltd (14.77%)
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd (85.40%)/ Indigo Oil Pty Ltd (14.60%)	Gulliver Productions Pty Ltd (85.40%)/ Indigo Oil Pty Ltd (14.60%)

**Table 2: Schedule of Tenements under the Canning Basin Royalty Deed (pre-and post-Asset Swap Agreement).**

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129	18 March 2016	17 March 2021	652.9955 (8 blocks)	Buru Energy Limited
L 6	19 May 2006	18 May 2027	407.9 (5 blocks)	Buru Energy Limited
L 8	19 May 2006	18 May 2027	326.3084 (4 blocks)	Buru Energy Limited
L 17	10 April 2013	Indefinite as per the terms of the license dated 10 April 2013	81.6 (1 block)	Buru Energy Limited

*Table 3: Schedule of Tenements under the Lennard Shelf Royalty Deed.*

*# EP = Exploration Permit, PL = Production Licence (e.g. L20, L21 etc).*

**5. Information Pursuant to Listing Rule 5.4.3:**

In accordance with ASX Listing Rule 5.4.3, but noting its several royalty interests as described above, Fitzroy advises that:

- 1) No petroleum tenements were held at the end of the Quarter;
- 2) No petroleum tenements were acquired or disposed of during the Quarter;
- 3) The beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter was nil; and
- 4) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter was nil.

**Malcolm McComas – Chairman**

Dated: 26 July, 2017

**Important**

*Certain information in this report refers to the statements, intentions or opinions of Buru Energy Ltd (ABN 71 130 651 437, ASX Code: BRU) and is based on public statements by it. Statements have been attributed to Buru Energy Ltd where applicable. Petroleum production targets announced by Buru Energy Ltd are subject to risks, uncertainties and other factors that may cause Fitzroy's actual results, performance or achievements to differ from those suggested or referred to in this report and regard should be given to Buru's statements and other announcements concerning the risks, uncertainties and other factors that may cause Buru to not meet production targets or result in delays meeting those targets. As and when Fitzroy becomes aware of information concerning it in connection with its royalty and other assets then Fitzroy intends to comply with its continuous disclosure obligations under Australian law. Information about specified events or matters that may have some connection with Fitzroy's royalty assets is often being made known or generally available by Buru Energy Ltd (ABN 71 130 651 437, ASX Code: BRU) or other listed entities, and other information may consist of readily observable matters. Market participants and investors making or drawing their own deductions, conclusions or inferences from any other company's ASX announcements do so at their own risk.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Fitzroy River Corporation Ltd

### ABN

75 075 760 655

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(142)	(732)
1.3 Dividends received (see note 3)	-	40
1.4 Interest received	19	167
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(123)</b>	<b>(525)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(4,681)
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(4,681)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	
3.2	Proceeds from issue of convertible notes	-	
3.3	Proceeds from exercise of share options	-	
3.4	Transaction costs related to issues of shares, convertible notes or options	-	
3.5	Proceeds from borrowings	-	
3.6	Repayment of borrowings	-	
3.7	Transaction costs related to loans and borrowings	-	(40)
3.8	Dividends paid	-	
3.9	Other (provide details if material)	(4)	(4)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(4)</b>	<b>(44)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,395	9,518
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(123)	(525)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4,681)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(44)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,268</b>	<b>4,268</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,268	4,395
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,268</b>	<b>4,395</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	78
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors and Company Secretarial Fees

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	130
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>130</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



26 July 2017

Sign here: .....  
(Director/Company secretary)

Date: .....

Print name: .....Justin Clyne .....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.