

Fitzroy Resources Ltd.
And Controlled Entities

ACN: 145 590 110

Annual Financial Report
For the year ended 30 June 2015

Contents

Corporate Directory..... 2

Directors' Report 3

Auditor's Independence Declaration..... 13

Consolidated Statement of Profit or Loss and Other Comprehensive Income..... 14

Consolidated Statement of Financial Position 15

Consolidated Statement of Changes in Equity 16

Consolidated Statement of Cash flows..... 17

Notes to the Financial Statements..... 18

Directors' Declaration..... 41

Independent Auditor's Report..... 42

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Corporate Directory

Head Company

Fitzroy Resources Ltd.

Directors

Riccardo Vittino - Non-Executive Director

Peter Webse – Non-Executive Director (appointed 8 May 2015)

Tim Grice – Non-Executive Director (appointed 8 May 2015)

Company Secretary

Peter Webse (appointed 11 May 2015)

Registered and Principal Office

Level 1, Suite 1,
35-37 Havelock Street,
West Perth WA 6005
Tel: +61 8 9481 7111
Fax: +61 8 9320 7501

Website

www.fitzroyresources.com.au

Share Register

Automatic Share Registry
Suite 1A, Level 1
7 Ventnor Avenue
West Perth WA 6005

Auditors

PKF Mack Chartered Accountants
Level 4,
35-37 Havelock Street,
West Perth WA 6005

Solicitors

GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Securities Exchange Listing

Australian Securities Exchange
Home Exchange: Perth, Western Australia
Code: FRY

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report

Your directors present their report on Fitzroy Resources Ltd. ("the Company") and its controlled entities ("the Group" or "Consolidated Group") for the year ended 30 June 2015.

The names of directors in office at any time during or since the end of the year are:

Riccardo Vittino - Non-Executive Director (appointed 4 August 2010)
Peter Webse – Non-Executive Director (appointed 8 May 2015)
Tim Grice – Non-Executive Director (appointed 8 May 2015)
Tom Henderson –Chairman (resigned 8 May 2015)
Will Dix – Non-Executive Director (resigned 8 May 2015)
Russell Lynton-Brown – Non-Executive Director (resigned 8 May 2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Qualifications, Experience and Special Responsibilities of Directors

RICCARDO VITTINO – NON-EXECUTIVE DIRECTOR

Qualifications – B Comm (UWA), FAICD

Mr Vittino has over 25 years' experience in the resources sector with a focus on corporate and financial management. He graduated from the University of Western Australian with a Bachelor of Commerce degree in 1985 and began his career in the mining industry in 1988 as Company Secretary for Helix Resources Ltd.

During his 18 year tenure at Helix, Mr Vittino was involved with various IPOs and Joint Ventures both local and International. He left Helix in 2006 as CEO to pursue a role in South Africa as Finance Director of Central Rand Gold Ltd. He was responsible for overseeing Central Rand Gold's listing on the Main Board of the LSE and the JSE in 2007 and subsequent progress to pre-feasibility and commencement of trial mining.

Mr Vittino returned to Perth in 2008 to focus on personal interests. He has held numerous non-executive Director roles including Diamond Ventures NL and Platinum Australia Ltd. He is a Fellow of the Australian Institute of Company Directors.

Mr Vittino is currently a director of Credo Resources Ltd and CFO of Moly Mines Limited.

Other Directorships held in other listed entities in the last three years — Nil

PETER WEBSE – NON-EXECUTIVE DIRECTOR (Appointed 8 May 2015)

Qualifications – B.Bus, FGIA, FCIS, FCPA, MAICD

Mr Webse has over 24 years' company secretarial experience and is the managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

Mr Webse is currently a director of Cynata Therapeutics Limited

Other Directorships held in other listed entities in the last three years — Blina Minerals Limited (12 January 2012 – 18 February 2014), Sun Biomedical Limited (22 January 2013 – 3 July 2015)

TIM GRICE – NON-EXECUTIVE DIRECTOR (Appointed 8 May 2015)

Mr Grice has a broad range of experience in capital markets where he has worked for 29 years. He has held a number of senior adviser positions at national and international stockbroking companies including Bell Potter, UBS and Merrill Lynch and been involved in raising capital for many emerging companies in mining and technology.

Directorships held in other listed entities in the last three years — Nil

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

TOM HENDERSON — NON-EXECUTIVE CHAIRMAN (Resigned 8 May 2015)

Qualifications — B Comm (UWA) CA, FAICD

Mr Henderson has over 20 years experience in corporate finance, has expertise in the provision of advisory services to the resources and services industry and the recapitalisation of listed vehicles.

Mr Henderson is a Chartered Accountant and the former Head of Corporate Finance at Deloitte in Perth. He left the Deloitte partnership in 2006 and is now a Principal of Forrest Capital Pty Ltd, an Australian Financial Services Licence holder providing financial services to wholesale clients.

Other Directorships held in other listed entities in the last 3 years — Marindi Metals Limited (formerly Brumby Resources NL) (resigned 6 July 2015).

WILL DIX — NON-EXECUTIVE DIRECTOR (Resigned 8 May 2015)

Qualifications — BSc MSc (Geology)

Mr Dix is a geologist with 20 years experience in base metal, uranium and gold exploration and mining. He holds a Bsc and Msc (Geology) from Monash University and is a member of AusIMM. Formerly Exploration Manager for Apex Minerals NL he led a successful exploration team that was responsible for significantly growing gold resources at all of Apex Minerals NL's projects.

Previously, Mr Dix spent 7 years with LionOre Mining International where he was a District Supervising Geologist in Western Australia. During his time with LionOre Mining International, Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2 million ounce Thunderbox Gold Project.

Mr Dix has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments.

Mr Dix is currently a director of Credo Resources Ltd, BBX Minerals Limited and Newera Resources Ltd.

Other Directorships held in other listed entities in the last three years — Nil

RUSSELL LYNTON-BROWN — NON-EXECUTIVE DIRECTOR (Resigned 8 May 2015))

Mr. Russell Lynton-Brown has worked with international and local stock broking companies. Mr Lynton-Brown moved into corporate finance arena and involved with capital raisings, corporate transactions and the establishment and listing of a number of companies on the Australian Securities Exchange. Mr Lynton-Brown has 15 years' experience in stock broking, both retail and corporate finance and has specialized in the resources sector.

Other Directorships held in other listed entities in the last three years — Goldphyre Resources Limited (resigned 23 January 2013)

Interests in the shares and options of the Company

As at the date of this report, the interests of the directors in the shares and options of Fitzroy Resources Ltd. were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
Riccardo Vittino - Non-Executive Director	4,945,667	1,000,000
Peter Webse – Non-Executive Director	1,166,667	1,000,000
Tim Grice – Non-Executive Director	-	1,000,000

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Company Secretary

PETER WEBSE – NON-EXECUTIVE DIRECTOR (Appointed Company secretary on 11 May 2015)

Qualifications – B.Bus, FGIA, FCIS, FCPA, MAICD

Mr Webse has over 24 years' company secretarial experience and is the managing director of Platinum Corporate Secretariat Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

SIMON ROBERTSON, B.BUS, CA, M APPL. FIN. (Resigned 11 May 2015)

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson has experience as a Company Secretary and in transaction management. He has also been involved in management of the ASX listing process and several specific asset transfers, general accounting for public companies and preparation of financial statements.

Principal Activities

The principal activity of the consolidated group during the year was the exploration of mineral tenements in Queensland, Australia and West Virginia USA following the acquisition of Premier Coking Coal Ltd.

Operating Results

The loss of the consolidated group after providing for income tax amounted to \$4,398,482 (2014: \$2,384,123).

Review and results of Operations

During the year the Company conducted limited activities on the Coal assets in the US relating to maintaining tenure of the licences.

On 7 July 2014, Fitzroy announced the sell down of its Rookwood property to Zenith Minerals Limited ("Zenith").

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 (which have been received) 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.

During the year Zenith completed exploration activities on the tenements which have been announced to ASX.

During the year the Company continued to assess projects, in the resources and non resources sectors, with the aim to increase shareholder value.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Financial Position and Significant Changes in the State of Affairs

The net assets of the Consolidated Group totalled \$1,479,720 (2014: \$3,721,276). The loss for the year was \$4,398,482 (2014: \$2,384,123). Cash on hand at 30 June 2015 totalled \$1,123,482 (2013: \$232,213).

The loss for the period of \$4,398,482 includes an impairment charge of \$2,919,049 related to exploration and evaluation assets.

On 10 December 2014 the Company announced a non-renounceable, pro-rata rights issue of 120,042,858 fully paid ordinary shares (Shares) at an issue price of \$0.004 each, on the basis of one (1) Share for each Share held on the Record Date, to raise approximately \$480,000 before costs (Rights Issue).

The Rights issue closed on 13 January 2015 with acceptances from Shareholders for a total of 40,615,307 Shares for a total of \$162,461.

On 23 March 2015 the Company completed the issue of 100,000,000 shares at the issue price of \$0.004 being the completion of the shortfall offer in the rights offer of 79,527,551 shares and the issue of 20,472,449 shares under the Companies listing rule capacity.

Following a shareholders meeting on 8 May 2015 the Company issued 230,000,000 shares each at an issue price of \$0.004 and the issue of 80,000,000 options to advisors each exercisable at \$0.008 expiring on or before 10 May 2018.

Following shareholder approval received on 8 May 2015 the Company consolidated its share capital on the basis of 1 new share for each 3 shares held which was completed on 21 May 2015.

Following shareholder approval on 26 June 2015, 3,000,000 options each exercisable at \$0.0042 expiring on or before 25 June 2018 were issued to directors.

Dividends Paid or Recommended

No dividend has been declared or paid by the Company. The directors do not recommend the payment of a dividend.

After Reporting Date Events

Subsequent to year end the following were announced:

US COAL ASSETS

On 29 July 2015 the Company announced that it had given notice to both Emmaus Partners LLC and Blackstone Energy Corporation, that it would be withdrawing from the US coking coal sector, due to falling seaborne coking coal prices. As a result of withdrawing from the US coking coal sector, the company is now commencing the process of winding up the US operations and subsidiaries.

4D-S LIMITED

On 13 August 2015 the Company announced that it had signed a Bid Implementation Agreement (BIA) to merge with 4D-S Limited (4D-S), an unlisted public company. 4D-S a wholly owned subsidiary, 4DS Inc, based in Fremont, California, which is developing a next generation non-volatile memory, ReRAM (or RRAM) for mobile and cloud storage applications.

Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the Consolidated Group's operations in future years; or
- the results of those operations in future years; or
- the Consolidated Group's state of affairs in future years.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Future Developments, Prospects and Business Strategies

US COAL ASSETS

The continuously falling price of coking coal since 2014 has resulted in the Company deciding to withdraw from the coking coal sector and the US. As a result Company is now commencing the process of winding up the US operations and subsidiaries.

4D-S LIMITED

The 4D-S transaction is proposed to be effected by means of scrip for scrip off market takeover offers by the Company to acquire all the voting shares in 4D-S. Total consideration for all classes of 4D-S securities is 385,604,167 Fitzroy shares, 67,604,167 Performance Shares and 36,458,333 unlisted options exercisable at \$0.02 on or before 30 June 2020

Both parties have completed legal and financial due diligence and the transaction has the unanimous support and recommendation of both boards of directors. As a result of the takeover bids, 4D-S will become a wholly owned subsidiary of the Company, and security holders in 4D-S will become security holders in the Company.

Completion of the transaction will be subject to the satisfaction of certain bid conditions which must be satisfied or waived by the Company, including:

- Fitzroy having a relevant interest in at least 90% of each class of 4D-S voting shares at the end of the offer period applicable to that class;
- Fitzroy shareholders approving various matters relating to the transaction at a General Meeting;
- Fitzroy obtaining subscriptions for at least \$2,250,000 pursuant to the capital raising; and
- Fitzroy receiving written confirmation from ASX that ASX will re-admit the Company's securities to quotation subject to the satisfaction of such terms and conditions (if any) as are prescribed by the ASX or the Listing Rules.

In connection with the merger, the Company has received firm commitments to place 90,000,000 fully paid ordinary shares in the Company to sophisticated and professional investor clients of Forrest Capital each at an issue price of A\$0.025 to raise A\$2.25million (before costs), with oversubscriptions of up to a further 20,000,000 shares to raise up to an additional A\$500,000. 30 million Advisor Options will be issued to Forrest Capital (or its nominees) exercisable at A\$0.05 on or before 30 June 2020. The issue of the shares and options is subject to shareholder approval.

Environmental Regulation and Performance

The Consolidated Group's activities in Australia are subject to the Native Title Act of the Commonwealth or State. There have been no significant known breaches of the Consolidated Group's obligations under these Acts. The Consolidated Group is not aware of any matters that cannot be resolved through the normal legal process, should they arise.

Share Options

Unissued shares

At the date of this report, the unissued ordinary shares of Fitzroy Resources Ltd. under option are as follows

Grant Date	Expiry Date	Exercise Price	Number under option
11 May 2015	10 May 2018	\$0.024	26,666,668
26 June 2015	25 June 2018	\$0.042	3,000,000
			<hr/> 29,666,668 <hr/>

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the period, no shares have been issued as a result of the exercise of options.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid a premiums insure the directors and secretaries of the company and its controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Directors' Report (continued)

Meetings of Directors

The number of formal meetings of directors (including committees of directors) held during the period and the number of meetings attended by each director was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Thomas Henderson	7	7
William Dix	7	7
Riccardo Vittino	8	8
Russell Lynton-Brown	7	7
Peter Webse	1	1
Tim Grice	1	1

Proceedings on Behalf of Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non Audit Services

The board of directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid out to PKF Mack for non-audit services provided during the year ended 30 June 2015:

Taxation compliance services	\$1,210
	<u>\$1,210</u>

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 13.

Remuneration Report (Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Directors' Report (continued)

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value
- A portion of executive remuneration may be put 'at risk', dependent on meeting pre-determined performance benchmarks
- Where appropriate, establish performance hurdles in relation to variable executive remuneration

Due to the stage of development which the Company is in, shareholder wealth is directly affected by the Company's share price, as the Company is not in a position to pay dividends. By remunerating Directors and Executives in part by share based payments, the Company aims to align the interests of Directors and Executives with Shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. Shareholders' have approved aggregate directors' fees payable of \$300,000 per year.

The amount of aggregate directors' fees sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. However, if a director performs extra or special services beyond their role as a director, the Board may resolve to provide additional remuneration for such services.

Fees for directors are not linked to the performance of the Group however, to align all directors' interests with shareholder interests, directors are encouraged to hold shares in the Company and may receive equity-based issues. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. For this reason there are no performance conditions prior to grant, but instead an incentive to increase the value to all shareholders.

During the year ended 30 June 2015 1,000,000 options exercisable at \$0.0042 expiring 28 June 2018 were issued to each of the Messers Vittino, Grice and Webse and during the year ended 30 June 2014 no options were granted.

The remuneration of non-executive directors for the years ended 30 June 2015 and 30 June 2014 is detailed in Table 1 and Table 2 on page 11 of this report.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Executive Remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for Company performance;
- Align the interest of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

Executive remuneration may consist of both fixed and variable elements.

Fixed Remuneration - Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the Board and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration - Objective

Variable remuneration may be provided in to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

The remuneration of executives for the year ended 30 June 2015 and 30 June 2014 are detailed in Table 1 and Table 2 on page 11 of this report.

EMPLOYMENT CONTRACTS

Company CEO, Benjamin Lane who resigned during the current year was subject to an employment contract with the following conditions:

- Annual remuneration base salary of \$200,000 plus superannuation (plus an away from home allowance of \$250 per night if applicable).
- Bonuses, subject to the determination of the Board that may be earned if operational, financial and total shareholder return milestones are met.

Termination conditions were as follows:

- Up to six months' termination pay, depending on length of service.
- Twelve month's termination pay in the event of a takeover of the Company.
- Two months' notice in the event of resignation.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Key Management Personnel Remuneration

TABLE 1: REMUNERATION FOR THE YEAR ENDED TO 30 JUNE 2015

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other	Share Based Payment Options	Total	Performance based remuneration
<i>Non-Executive Directors</i>						
T Henderson – Chairman	48,000	-	-	168,000 (*1)	216,000	78%
W.Dix	19,250	-	-	-	19,250	-%
R Lynton-Brown	24,452	2,323	-	-	26,775	-%
R Vittino	39,000	-	-	24,650 (*2)	63,650	39%
P Webse	11,145	-	-	24,650 (*2)	35,795	69%
T Grice	4,023	382	-	24,650 (*2)	29,055	85%
<i>Other key management personnel</i>						
B Lane – CEO	102,955	7,917	-	-	110,872	-%
Total	248,825	10,622	-	241,950	501,397	

*1 Value of 20,000,000 options (pre consolidation) received by Tisia Nominees Pty Ltd, as Nominee of Forrest Capital Pty Ltd, for acting as advisors to the Company for capital raising as approved by shareholders on 8 May 2015.

*2 Value of 1,000,000 options received by each director, as approved by Shareholders on 26 June 2015

TABLE 2: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2014

	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other	Share Based Payment	Total	Performance based remuneration
<i>Non-Executive Directors</i>						
T Henderson – Chairman	30,000	-	1,887	40,000 (*1)	71,887	56%
W.Dix *2	46,800	-	1,887	-	48,687	-%
R Vittino	30,000	-	1,887	-	31,887	-%
R.Lynton-Brown *3	20,595	1,905	1,887	1,487	25,874	6%
<i>Other key management personnel</i>						
B Lane – CEO *4	183,780	16,468	1,887	5,949	208,084	3%
Total	311,175	18,373	9,435	47,436	386,419	

*1 Value of 1,000,000 ordinary shares received by Tisia Nominees Pty Ltd, as Nominee of Forrest Capital Pty Ltd, for acting as advisors to the Company on the acquisition of Premier Coal Ltd.

*2 Became a Non-Executive Director on 1 December 2013

*3 Appointed 4 October 2013

*4 Appointed 20 December 2013

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Directors' Report (continued)

Option holdings of Key Management Personnel

30 June 2015	Balance at beginning of period (*1)	Granted as remuneration (*3)	Options exercised	Net change other (*2)	Balance at end of period	Vested at 30 June 2015		
						Total	Exercisable	Not Exercisable
R Vittino	500,000	1,000,000	-	(333,333)	1,166,667	1,166,667	1,166,667	-
P Webse	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
T Grice	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
T Henderson (*4)	1,500,000	20,000,000	-	(21,500,000)	-	-	-	-
W Dix (*4)	1,500,000	-	-	(1,500,000)	-	-	-	-
R Lynton Brown (*4)	-	-	-	-	-	-	-	-
B Lane (*4)	-	-	-	-	-	-	-	-
	3,500,000	23,000,000	-	(23,333,333)	3,166,667	3,166,667	3,166,667	-

*1 Pre-consolidation

*2 Effect of Consolidation on opening balance and or resignations

*3 Post Consolidation

*4 Resigned during the year

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Shareholdings of Key Management Personnel

30 June 2015	Balance 1 July 14*1	Granted as remuneration	On exercise of options	Net change other*2	Balance 30 June 15
P Webse	-	-	-	1,166,667	1,166,667
T Grice	-	-	-	-	-
T Henderson (*3)	6,070,489	-	-	(6,070,489)	-
W Dix (*3)	800,005	-	-	(800,005)	-
R Lynton Brown (*3)	780,000	-	-	(780,000)	-
B Lane (*3)	2,000,000	-	-	(2,000,000)	-
	10,818,992	-	-	(4,706,658)	6,112,334

*1 Pre-consolidation

*2 includes the effect of consolidation on the opening balance and or resignations

*3 Resigned during the year

Loans to Key Management Personnel

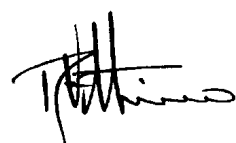
There are no loans between the entity and Key Management Personnel.

Principles of Compensation

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives by the issue of options to the directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Remuneration Report - End

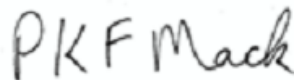
Signed in accordance with a resolution of the directors.



Riccardo Vittino
Director
20 August 2015

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FITZROY RESOURCES LTD

In relation to our audit of the financial report of Fitzroy Resources Ltd for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF MACK



SIMON FERMANIS
PARTNER

20 AUGUST 2015
WEST PERTH,
WESTERN AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

		Consolidated 2015	Consolidated 2014
	Note	\$	\$
Revenue	2	10,087	58,387
Directors fees		(86,643)	(112,517)
Administration expenses	3	(464,456)	(392,938)
Exploration expenses		(187,813)	(616,904)
Impairment of capitalised exploration		(2,919,049)	(1,313,496)
Share based payment	3	(745,950)	-
Depreciation and amortisation expense	3	(4,658)	(6,655)
Loss before income tax		(4,398,482)	(2,384,123)
Income tax expense	4	-	-
Loss for the year		(4,398,482)	(2,384,123)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation (net of tax)	14	11,430	(78,482)
Total comprehensive loss for the year		(4,387,052)	(2,462,605)
Basic and diluted loss per share (cents per share)	5	(6.71)	(3.07)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	Consolidated 2015 \$	Consolidated 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,123,482	232,213
Trade and other receivables	8	22,124	11,418
Other current assets		20,000	-
TOTAL CURRENT ASSETS		1,165,606	243,631
NON-CURRENT ASSETS			
Plant and equipment	9	10,873	15,531
Exploration and evaluation expenditure	10	420,000	3,589,049
TOTAL NON-CURRENT ASSETS		430,873	3,604,580
TOTAL ASSETS		1,596,479	3,848,211
CURRENT LIABILITIES			
Trade and other payables	11	90,378	90,362
Provisions	12	-	10,192
Other current liabilities		26,381	26,381
TOTAL CURRENT LIABILITIES		116,759	126,935
TOTAL LIABILITIES		116,759	126,935
NET ASSETS		1,479,720	3,721,276
SHAREHOLDERS' EQUITY			
Issued capital	13	10,660,732	9,261,186
Reserves	14	1,090,134	332,754
Accumulated losses		(10,271,146)	(5,872,664)
TOTAL SHAREHOLDERS' EQUITY		1,479,720	3,721,276

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Exchange Reserve	Total
	\$	\$	\$	\$	\$
Consolidated Group Balance at 1 July 2014	9,261,186	(5,872,664)	411,236	(78,482)	3,721,276
<i>Total Comprehensive Income</i>					
Loss attributable to members	-	(4,398,482)	-	-	(4,398,482)
Foreign currency translation difference	-	-	-	11,430	11,430
Total comprehensive loss for the period	-	(4,398,482)	-	11,430	(4,387,052)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued during the period (net of costs)	1,399,546	-	-	-	1,399,546
Options issued during the period	-	-	745,950	-	745,950
Balance at 30 June 2015	10,660,732	(10,271,146)	1,157,186	(67,052)	1,479,720

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Exchange Reserve	Total
	\$	\$	\$	\$	\$
Consolidated Group Balance at 1 July 2013	6,729,437	(3,488,541)	403,800	-	3,644,696
<i>Total Comprehensive Income</i>					
Loss attributable to members	-	(2,384,123)	-	-	(2,384,123)
Foreign currency translation difference	-	-	-	(78,482)	(78,482)
Total comprehensive loss for the period	-	(2,384,123)	-	(78,482)	(2,462,605)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued during the period (net of costs)	2,531,749	-	-	-	2,531,749
Employee Share Scheme – Treasury Shares	-	-	7,436	-	7,436
Balance at 30 June 2014	9,261,186	(5,872,664)	411,236	(78,482)	3,721,276

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Consolidated 2015	Consolidated 2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	5,663	20,941
Receipts from customers	-	17,035
Payments to suppliers and employees	(537,558)	(650,044)
Payments for exploration expenditure	(187,813)	(972,982)
Net cash used in operating activities	7(c) (719,708)	(1,585,050)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on cell-down of exploration property	200,000	-
Payments for acquisition of tenements and company	-	(1,279,399)
Net cash provided by/(used in) investing activities	200,000	(1,279,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,482,461	1,279,000
Share issue costs	(82,915)	(107,251)
Net cash provided by financing activities	1,399,546	1,171,749
Net (decrease)/ increase in cash and cash equivalents held	879,838	(1,692,700)
Foreign Exchange	11,431	-
Cash and cash equivalents at the beginning of the financial year	232,213	1,924,913
Cash and cash equivalents at the end of the financial year	7(b) 1,123,482	232,213

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Fitzroy Resources Ltd. ("Fitzroy or the Company") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of Directors on 20 August 2015. The directors have the power to amend and reissue the financial statements. This financial report includes the consolidated financial statements and notes of the Company and its controlled entities ('Consolidated Entity' or 'Group').

Fitzroy is a listed public company, trading on the Australian Securities Exchange, Limited by shares, incorporated and domiciled in Australia. The Company's principal place of business and registered office is located at Level 1, Suite 1, 35-37 Havelock Street, West Perth WA 6005. The Group's primary strategy is the discovery and commercialisation of mineral deposits.

The financial report of the Group complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS). The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements as issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for "for-profit" oriented entities. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Going Concern

The financial statements have been prepared on the going concern basis. As at 30 June 2015 the Consolidated Entity had net assets of \$1,479,720 (2014:\$3,721,276). As at 30 June 2015 the Consolidated Entity had \$1,123,482 (2014: \$232,213) in cash and cash equivalents. During the year the Company announced the sell-down of its Rookwood project and subsequent to year-end the Company announced that it had given notice to both Emmaus Partners LLC and Blackstone Energy Corporation, that it would be withdrawing from the US coking coal sector, due to falling seaborne coking coal prices. As a result of withdrawing from the US coking coal sector, the company is now commencing the process of winding up the US operations and subsidiaries. Following this the Company's exploration assets will consist of its remaining interest in the Rookwood project and the Glentanna property in Queensland. The Company will continue to incur expenditure on these properties to ensure tenure is maintained. The ultimate recoupment of costs carried forward for exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. At this time the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount in the financial report. Accordingly, apart from the impairment charges recorded in the financial report, there has been no additional adjustments in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the Consolidated Entity not have the cash resources, or be unable to raise additional capital as and when required, and the exploitation of the areas of interest, or their ultimate sale, not be successful, or the Consolidated Entity not continue as a going concern.

a. Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

Impairment of exploration and evaluation assets and investments in and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets. Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

b. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Determination of mineral resources

The determination of mineral resources impacts the accounting for asset carrying values. Fitzroy Resources Ltd estimates its mineral resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Fitzroy Resources Ltd. ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Fitzroy Resources Ltd. and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity' or 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously

e. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

f. Depreciation

The depreciable amount of all fixed assets, is depreciated on a diminishing value basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

g. Impairment

i. Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised either in the statement of profit or loss and other comprehensive income or revaluation reserves in the period in which the impairment arises.

ii. Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

iii. Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Consolidated Entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

h. Employee Benefits

i. Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within one year of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Superannuation

Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

iii. Employee benefit on costs

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

iv. Options

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Equity-settled Compensation

The Group operates an equity-settled share-based payment employee scheme and has issued options to Directors. The fair value of the equity to which employees (including Directors) become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Cash and Cash Equivalents

Cash in the statement of financial position comprise cash at bank.

For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

l. Revenue and other Income

Interest revenue is recognised as it accrues.

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Trade and other Receivables

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when some doubt as to collection exists.

o. Trade and other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

q. Operating Segments

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regards, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

r. Earnings Per Share

i. Basic earnings per share

Basic earnings per share is determined by dividing the net loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Shares issued by the Company to a trust, the the Group controls are shown as a reduction in equity. Administration expenses of the trust are expensed to the statement of profit or loss and other comprehensive income.

Where any controlled entity purchases the Company's equity share capital as treasury shares, the consideration paid is deducted from equity attributable to the Company's equity holders until those shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable increment transactions costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

t. New Accounting Standards and Interpretations that are not yet mandatory

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the Company but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB No.	Title	Application date of standard	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part C - Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part D - 1 January 2016 Part E - 1 January 2018	June 2014
AASB 2014-3	Amendments to Australian Accounting Standard – Accounting for Acquisition of Interest in Joint Operations [AASB 1 & AASB 11]	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	August 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2017	December 2014
AASB 2014-6	Amendments to Australian Accounting Standard – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	1 January 2016	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-8	Amendments to Australian Accounting Standards Arising From AASB 9	1 January 2015	December 2014
AASB 2014-9	Amendments to Australian Accounting Standard - Equity Method in Separate Financial Statements	1 January 2016	December 2014
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2016	December 2014
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	January 2015
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	January 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent **	1 July 2015	January 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 July 2015	January 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to NFP Public Sector Entities	1 July 2016	March 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. *New, revised or amending Accounting Standards and Interpretations adopted*

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

v. *Current and non-current classification*

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w. Judgement and estimate on exploration expenditure

Exploration and Evaluation Costs

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

Impairment of Exploration and Evaluation Assets and Investments in and Loans to Subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

	Consolidated Entity Year ended 30 June 2015	Consolidated Entity Year ended 30 June 2014
	\$	\$
2. REVENUE		
Interest revenue	5,663	20,941
Other	-	17,617
Foreign currency gain/(loss)	4,424	19,829
	10,087	58,387
3. LOSS FOR THE PERIOD		
Depreciation	4,658	6,655
Office rental and support staff	6,921	54,176
Share based payments	745,950	7,436
Superannuation	10,622	17,738
Employee wages and salaries	102,955	88,083
4. INCOME TAX		
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
The prima facie income tax expense/(benefit) on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(benefit) in the financial statements as follows:		
Accounting loss before tax	(4,398,482)	(2,384,123)
At the group's statutory income tax rate of 30%	(1,319,544)	(715,237)
<i>Add/(Less): tax effect of:</i>		
Capital raising costs	(41,144)	(36,169)
Provisions and accruals	(3,048)	3,512
Non-deductible impairment	875,715	394,049
Share based payments	223,785	-
Other non-allowable items	13,014	8,028
	(251,222)	(345,817)
Benefit of tax losses not brought to account	251,222	345,817
Income tax expense/(benefit)	-	-

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

4. INCOME TAX

	Consolidated 2015 \$	Consolidated 2014 \$
The following deferred tax balances have not been recognised:		
Deferred Tax Assets:		
At 30%		
Carry forward revenue losses	1,491,648	1,312,418
Capital raising costs	42,559	58,828
Other	16,850	8,908
	<u>1,551,057</u>	<u>1,380,154</u>

The tax benefits of the above losses will only be obtained if:

- (1) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (2) The Company complies with the deductibility conditions imposed by law; and
- (3) No changes in income tax legislation adversely affect the Company in utilising the benefits.

Deferred Tax Liabilities:

At 30%

Exploration and evaluation (Aus)	366,660	276,000
Interest accrued	9	9
	<u>366,669</u>	<u>276,009</u>

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry-forward revenue losses for which the Deferred Tax Asset has not been recognised

5. LOSS PER SHARE

The following reflects income and share data used in the calculation of basic and diluted loss per share

Net loss	<u>4,398,482</u>	<u>2,384,123</u>
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	<u>65,529,413 ⁽¹⁾</u>	<u>77,678,898</u>

Options are considered anti-dilutive in nature.

(1) The current year weighted average number of ordinary shares used in calculating loss per share is after taking into account the share consolidation.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

	2015	2014
	\$	\$
6. PARENT ENTITY – FITZROY RESOURCES LTD		
Financial Position		
Current assets	1,137,221	2,804,372
Non-current assets	430,871	2,086,705
Total Assets	<u>1,568,092</u>	<u>4,891,077</u>
Current Liabilities	71,769	98,789
Total Liabilities	<u>71,769</u>	<u>98,789</u>
Shareholders' Equity		
Share Capital	10,660,732	9,261,186
Reserves	1,157,186	411,236
Accumulated losses	(10,321,595)	(4,880,135)
Total Shareholders' Equity	<u>1,496,323</u>	<u>4,792,287</u>
Financial Performance		
Loss for the period	(5,441,460)	(1,391,594)
Other Comprehensive Income	-	-
Total Comprehensive Loss	<u>(5,441,460)</u>	<u>(1,391,594)</u>

The Parent Company Fitzroy Resources Ltd has no contingent liabilities as at 30 June 2015 and 30 June 2014.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

	Consolidated 2015	Consolidated 2014
7. CASH AND CASH EQUIVALENTS		
<i>(a) Cash and cash equivalents in the Statement of Financial Position</i>	\$	\$
Cash at bank and in hand	1,103,482	212,213
Short-term bank deposits	20,000	20,000
	<u>1,123,482</u>	<u>232,213</u>
<i>(b) Reconciliation to the statement of cash flows</i>		
Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>1,123,482</u>	<u>232,213</u>
<i>(c) Reconciliation of net loss after income tax to cash flows used in operations</i>		
Net loss after income tax	(4,398,482)	(2,384,123)
<i>Non-cash adjustments</i>		
Depreciation	4,658	6,655
Non-cash exploration expenditure	-	(571,375)
Impairment of Exploration	2,919,049	1,313,496
Share based payments	745,950	7,436
Share Revaluation	30,000	-
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in receivables	(10,706)	(4,039)
Decrease/(Increase) in other current assets	-	2,553
(Decrease)/Increase in provisions	(10,193)	10,192
(Decrease)/ Increase in payables	16	34,155
Net cash used in operations	<u>(719,708)</u>	<u>(1,585,050)</u>
8. TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivable	11,054	-
Trade receivables	-	7,961
Prepayments	11,070	3,457
	<u>22,124</u>	<u>11,418</u>

None of the receivables are past due. Receivables are therefore not impaired and are within initial trade terms.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

9. PLANT AND EQUIPMENT

	Consolidated 2015	Consolidated 2014
	\$	\$
At cost	51,490	51,490
Accumulated depreciation	(40,617)	(35,959)
Total Plant and Equipment	<u>10,873</u>	<u>15,531</u>

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

Balance at the beginning of the period	15,531	22,186
Additions	-	-
Disposals	-	-
Accumulated depreciation of assets sold	-	-
Depreciation expense	(4,658)	(6,655)
Balance at the end of the period	<u>10,873</u>	<u>15,531</u>

10. EXPLORATION AND ASSET ACQUISITION EXPENDITURE

Reconciliation of Exploration and Evaluation Expenditure

	Consolidated 2015	Consolidated 2014
Australian		
Opening balance	920,000	1,744,182
Sale of Rookwood – cash consideration	(200,000)	-
Sale of Rookwood – 500,000 shares in Zenith	(50,000)	-
Impairment	(250,000)	(824,182)
Closing balance	<u>420,000</u>	<u>920,000</u>
USA		
Opening balance	2,669,049	-
Acquisition Costs	-	2,867,407
Exploration Expenditure	-	290,956
Impairment	(2,669,049)	(489,314)
Closing balance	<u>-</u>	<u>2,669,049</u>
Total exploration expenditure	<u>420,000</u>	<u>3,589,049</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

11. TRADE AND OTHER PAYABLES

Trade payables and accruals	<u>90,378</u>	<u>90,362</u>
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Trade creditors are non-interest bearing and are normally settled on 30 day terms.

12. PROVISIONS

Provision for employee benefits	<u>-</u>	<u>10,192</u>
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Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

	Consolidated 2015 \$	Consolidated 2014 \$
13. ISSUED CAPITAL		
<i>(a) Ordinary Shares</i>		
Issued and fully paid	10,660,732	9,261,186

	2015		2014	
	No.	\$	No.	\$
<i>(b) Movement in ordinary shares on issue</i>				
At the beginning of reporting period	117,542,858	9,261,186	47,000,005	6,729,437
Shares issued	370,615,307	1,482,461	73,042,853	2,639,000
Consolidation of capital	(325,438,626)	-	-	-
Transaction costs	-	(82,915)	-	(107,251)
Balance at reporting date	162,719,539	10,660,732	120,042,858	9,261,186
Treasury Shares	-	-	(2,500,000)	-
At reporting date	162,719,539	10,660,732	117,542,858	9,261,186

Treasury shares were issued on 20 December 2013 in connection with the Fitzroy Employee Share Scheme. Balance of treasury shares on issue at reporting date amounted to 833,333 on a post-consolidated basis (2014: 2,500,000 on a pre-consolidated basis).

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding-up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. The Company and group have no externally imposed capital requirements.

No dividends were paid during the year. No recommendation for payment of dividends has been made.

	Consolidated 2015 \$	Consolidated 2014 \$
14. RESERVES		
<i>Share based payment reserve</i>		
Balance beginning of the financial period	411,236	403,800
Option Expense – Issued to Directors	73,950	-
Option Expense – Issued to Advisors	672,000	-
Vesting expense in relation to treasury shares	-	7,436
Balance 30 June	1,157,186	411,236

The option reserve is used to record the value of share based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to Note 16 for further details.

There were no options issued during the year ended 30 June 2014.

<i>Foreign exchange translation reserve</i>		
Balance beginning of the financial period	(78,482)	-
Foreign exchange movement on translation of foreign operations	11,430	(78,482)
Balance 30 June	(67,052)	(78,482)

The purpose of the foreign exchange translation reserve is to recognise exchange differences arising from the translation of foreign operations to Australian dollars.

Share based payment reserve	1,157,186	411,236
Foreign exchange translation reserve	(67,052)	(78,482)
	1,090,134	332,754

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

	Consolidated 2015 \$	Consolidated 2014 \$
15. KEY MANAGEMENT PERSONNEL		
<i>Compensation for Key Management Personnel</i>		
Short term employee benefits	248,825	311,175
Post-employment benefits	10,622	18,373
Directors and Officers Insurance	-	9,435
Share based payments	241,950	47,436
Total compensation	501,397	386,419

Since the end of the financial period, no director has entered into a material contract with the Group and no material contracts involving directors' interest existed at 30 June 2015.

16. OPTIONS

(a) Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at the beginning of the year (*1)	6,000,000	\$0.30	11,000,000	\$0.30
Expired during the year	-	-	(5,000,000)	\$0.30
Effect of consolidation	(3,999,999)	-	-	-
Granted during the year (post consolidation)	29,666,668	\$0.026	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	31,666,669	\$0.081	6,000,000	\$0.30
Exercisable at the end of the year	31,666,669	\$0.081	6,000,000	\$0.30

(*1) Post-consolidation exercise price of \$0.90

(b) Weighted average remaining contractual life

The weighted average remaining contractual life of the share options outstanding as at 30 June 2015 is 3 years (2014: 1.08 years).

(c) Range of exercise prices

The exercise price for options outstanding at the end of the period ranged between \$0.024 to \$0.90 (2014: \$0.30(pre-consolidation)).

(d) Option pricing model

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black Scholes Model taking into account the terms and conditions upon which the options were granted. Details of the assumptions used in the valuation of options issues during the year are as follows:

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

16. OPTIONS (CONTINUED)

Advisor Options (on a post consolidation basis)

Item	Advisor Options
Number of options	26,666,668
Exercise price (\$)	0.024
Valuation (grant) date	8 May 2015
Expiry date	10 May 2018
Expiration period (years)	3.01
Vesting date	8 May 2015
Exercise conditions	nil
Volatility	100%
Share price	\$.036
Risk free rate	2.08%
Fair value	\$.0272

Director Options

Item	Director Options
Number of options	3,000,000
Exercise price (\$)*	0.042
Valuation (grant) date	26 June 2015
Expiry date	25 June 2018
Expiration period (years)	3
Vesting date	26 June 2015
Exercise conditions	nil
Volatility	100%
Share price	\$.042
Risk free rate	2.09%
Fair value	\$.02465

* The greater of either \$0.035 or 105% of the closing price of the Company's shares on the grant date. The price of a Fitzroy share on 26 June 2015 was \$0.04.

17. RELATED PARTY DISCLOSURE

(a) Controlled Entities

The consolidated financial statements include the financial statements of Fitzroy Resources Ltd and the following subsidiary:

	% Interest		Investment	
	2015	2014	2015	2014
Fitzroy Copper Pty Ltd (incorporated in Australia)	100	100	1	1
Premier Coking Coal Ltd (Incorporated in NZ)	100	100	225,765	225,765
Premier Coking Coal LLC (incorporated in USA)	100	100	1	1
Fitzroy Employee Share Plan Pty Ltd	100	100	1	1
Fitzroy Employee Share Trust	100	100	1	1

(b) Acquisition of Controlled Entities

On 23 August 2010 the parent entity acquired 100% of Fitzroy Copper Pty Ltd, with Fitzroy Resources Ltd entitled to all profits earned from 23 August 2010 for a purchase consideration of \$1. On 19 December 2013 the parent entity acquired 100% of Premier Coking Coal Ltd a privately held NZ registered company which owned Premier Coking Coal LLC a US registered company that held the options to acquire the Emmaus Project and the Blackstone Project. The ultimate parent company within the Group is Fitzroy Resources Ltd.

(c) Key Management Personnel ("KMP")

Details relating to KMP, including remuneration paid, are included in Note 15 and the audited remuneration report section of the directors' report.

(d) Transactions with Other Related Parties

Mr Tom Henderson is a Principal of Tisia Nominees Pty Ltd, Tisia Nominees Pty Ltd provided services via Forrest Capital Pty Ltd in relation to the completion of the Shortfall issue under the rights issue and subsequent placement was paid \$66,000 and 20,000,000 options (pre-consolidation) following approval from shareholders on 8 May 2015. Platinum Corporate Secretariat which Mr Peter Webse is a director received fees totalling \$6,710 plus GST for the provision of company secretarial services. This amount is included in table 1 on page 11

Other than the above, there were no transactions with other related parties during the financial period.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

18. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Group's principal financial instruments comprise cash and short term deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

Currently the Group does not have any exposure to commodity price risk or foreign currency risk. If the Group moves into development and production phases, exposure to commodity price risk, foreign currency risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1.

	Consolidated 2015 \$	Consolidated 2014 \$
(b) Interest rate risk		
At reporting date, the Group had the following financial assets exposed to interest rate risk:		
Cash and cash equivalents (i)	1,123,482	232,213
Receivables (ii)	22,124	11,418
	1,145,606	243,631

(i) The weighted average interest rate of cash and cash equivalents is 0.5% (2014: 0.5%).

(ii) Receivables are non-interest bearing.

None of the Group's financial liabilities are interest bearing.

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Group has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate.

Since the Group trades only with recognised third parties, there is no requirement for collateral.

(d) Liquidity Risk

The Group currently does not have major funding in place. However the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

(e) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

(f) Sensitivity Analysis

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2015 and 2014.

30 June 2015	Interest Rate Risk -1%		Interest Rate Risk +1%		
	Carrying Amount \$	Net Loss \$	Equity \$	Net Loss \$	Equity \$
Financial assets					
Cash and cash equivalents	1,123,482	(11,235)	(11,235)	11,235	11,235
	1,123,482	(11,235)	(11,235)	11,235	11,235

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

18. FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2014	Carrying Amount \$	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss \$	Equity \$	Net Loss \$	Equity \$
<i>Financial assets</i>					
Cash and cash equivalents	232,213	(2,322)	(2,322)	2,322	2,322
	232,213	(2,322)	(2,322)	2,322	2,322

None of the Group's receivables or financial liabilities are interest bearing.

19. COMMITMENTS

Exploration Tenements

In order to maintain current rights of tenure to exploration tenements the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the Consolidated Entity's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months. These obligation are not provided for in the financial report.

	Consolidated 2015 \$	Consolidated 2014 \$
Minimum expenditure on exploration tenements - Australia		
Payable:		
— not later than 1 year	53,750	48,400
— later than 1 year but not later than 5 years	53,750	213,600
	107,500	262,000

Minimum Royalties

Under the "Assignment and Assumption Agreement" between Premier Coking Coal, LLC ("Premier") and Emmaus Partners, LLC ("Emmaus") dated 13 March 2014, and under the "Assignment and Assumption Agreement" between Premier and Blackstone Corporation, LLC ("Blackstone") dated 3 March 2014, Premier is obliged to pay minimum royalty payments to the mineral owner

Minimum royalty on Emmaus and Blackstone

Properties

Payable:

— not later than 1 year	25,000	25,000
— later than 1 year but not later than 5 years	100,000	100,000
	125,000	125,000

Mineral Taxes

Under the "Assignment and Assumption Agreement" between Premier Coking Coal, LLC ("Premier") and Emmaus Partners, LLC ("Emmaus") dated 13 March 2014, and under the "Assignment and Assumption Agreement" between Premier and Blackstone Corporation, LLC ("Blackstone") dated 3 March 2014, Premier is obliged to mineral taxes on behalf of the mineral owner

Mineral taxes on Emmaus and Blackstone

Properties

Payable:

— not later than 1 year	9,721	8,917
— later than 1 year but not later than 5 years	38,884	35,667
	48,605	44,584

On 29 July 2015 the Company announced that it had given notice to both Emmaus Partners LLC and Blackstone Energy Corporation, that it would be withdrawing from the US coking coal sector, due to falling seaborne coking coal prices. As a result of withdrawing from the US coking coal sector, the company is now commencing the process of winding up the US operations and subsidiaries.

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

20. CONTINGENT LIABILITIES

Under the "Assignment and Assumption Agreement" between Premier Coking Coal, LLC ("Premier") and Emmaus Partners, LLC ("Emmaus") dated 13 March 2014, Premier is obliged to pay Emmaus the following amounts in connection with issuance of the Mining Permits and Plant Permits:

- US\$125,000 in cash upon the issue of the first set of mining permits to Premier or its designee;
- US\$125,000 in cash upon the issue of the second set of mining permits to Premier or its designee; and
- US\$250,000 in cash upon the issue of plant permits to Premier or its designee.

Furthermore, a production payment must be made of US\$2.00 per tonne for each clean tonne of coal mined, removed and sold at an average gross selling price plus 8% of the portion of the average gross selling price that exceeds US\$1.10 per tonne. In addition, when the plant becomes operational, Premier must pay Emmaus a processing fee of US\$0.50 per tonne for each clean tonne of coal that is mined and removed by Premier.

Premier is also required to pay, beginning 15 months after settlement date (and for each month thereafter) an amount equal to the difference, if any, between the tonnage payments due for the immediately preceding calendar month and US\$25,000. No payment shall be due if the tonnage payment due for any calendar month is equal to or exceeds US\$25,000 and is only payable if the remaining In situ coal is both mineable and marketable.

Finally, Emmaus has paid minimum or advanced royalties to the lessor under the leases prior to the effective date of the option agreement, and of such minimum or advanced royalties are fully recoupable, then Premier shall be entitled to recoup such royalties, provided Premier pays Emmaus the amount of any such recoupment, up to a maximum of US\$25,000.

The Company is in discussion with a third party in relation to a claim on a small portion of the Emmaus property lease above the Gilbert Seam. The Company considers the possible claim to be immaterial to its planned activities on the Emmaus property.

On 29 July 2015 the Company announced that it had given notice to both Emmaus Partners LLC and Blackstone Energy Corporation, that it would be withdrawing from the US coking coal sector, due to falling seaborne coking coal prices. As a result of withdrawing from the US coking coal sector, the company is now commencing the process of winding up the US operations and subsidiaries.

21. SEGMENT REPORTING

The Company has identified its operating segments based on internal reports are reviewed by the Board and management. The Company operating in one business segment during the year, being mineral exploration and in three geographical areas, being Australia, New Zealand and United States of America ("USA").

2015	USA \$	NZ \$	Australia \$	Other \$	Total \$
Segment Revenue	-	-	10,087	-	10,087
Impairment loss	(2,669,049)	-	(250,000)	-	(2,919,049)
Profit/(Loss) after income tax	(2,917,983)	-	(1,480,499)	-	(4,398,482)
Segment total assets	8,384	-	1,588,095	-	1,596,479
Segment non-current asset	-	-	430,873	-	430,873
Segment total liabilities	(18,607)	(26,381)	(71,771)	-	(116,759)
2014	USA \$	NZ \$	Australia \$	Other \$	Total \$
Segment Revenue	17,616	-	40,771	-	58,387
Impairment loss	(489,314)	-	(824,182)	-	(1,313,496)
Profit/(Loss) after income tax	(992,529)	-	(1,391,594)	-	(2,384,123)
Segment total assets	2,724,616	-	1,123,595	-	3,848,211
Segment non-current asset	1,743,640	-	1,860,940	-	3,604,580
Segment total liabilities	(1,766)	(26,381)	(98,488)	-	(126,935)

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

22. EVENTS AFTER THE REPORTING DATE

Subsequent to year end the following were announced:

US COAL ASSETS

On 29 July 2015 that Company had given notice to both Emmaus Partners LLC and Blackstone Energy Corporation, that it would be withdrawing from the US coking coal sector, due to falling seaborne coking coal prices. As a result of withdrawing from the US coking coal sector, the company is now commencing the process of winding up the US operations and subsidiaries.

4D-S LIMITED

On 14 August 2015 the Company announced that it had signed a Bid Implementation Agreement (BIA) to merge with 4D-S Limited (4D-S), an unlisted public company. 4D-S a wholly owned subsidiary, 4DS Inc, based in Fremont, California, which is developing a next generation non-volatile memory, ReRAM (or RRAM) for mobile and cloud storage applications.

Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the Consolidated Group's operations in future years; or
- the results of those operations in future years; or
- the Consolidated Group's state of affairs in future years.

Consolidated 2015 \$	Consolidated 2014 \$
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23. AUDITORS' REMUNERATION

The auditor of Fitzroy Resources Ltd for the year ended 30 June 2014 is PKF Mack Chartered Accountants

Amounts received or due and receivable by PKF Mack Chartered Accountants for:

An audit or review the financial report of the entity and any other entity in the consolidated group including one off cost for auditing the acquisition
Tax Compliance

46,750	35,200
1,210	2,300
47,960	37,500

Fitzroy Resources Ltd. and Controlled Entities

For the year ended 30 June 2015

Notes to the Financial Statements

24. FAIR VALUE HIERARCHY

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The carrying value of exploration assets represents the fair value that will be received in respect of the Rookwood project being the value that would be payable by Zenith Minerals Limited (ZNC) to acquire the remaining interest if ZNC exercises the option to do so. The carrying value of all other exploration assets has been impaired to new. Financial assets consist of cash as at 30 June 2015.

Consolidated - 2015

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Financial assets	20,000	-	-	20,000
Exploration and evaluation expenditure	-	420,000	-	420,000
Total assets	20,000	420,000	-	440,000
<i>Liabilities</i>				
Total liabilities	-	-	-	-

Fitzroy Resources Ltd. and Controlled Entities

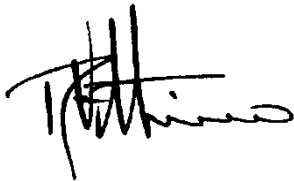
For the year ended 30 June 2015

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2015 and of their performance for the year ended on that date.
2. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial report.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Board of Directors.



Ric Vittino
Director
20 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FITZROY RESOURCES LTD

Report on the Financial Report

We have audited the accompanying financial report of Fitzroy Resources Ltd (the company) which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

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PO Box 609 | West Perth | Western Australia 6872 | Australia

Opinion

In our opinion:

- (a) the financial report of Fitzroy Resources Ltd is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$(4,398,482) (2014: \$(2,384,123)) during the year ended 30 June 2015. These conditions, along with other matters as set out in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.


The financial report of the consolidated entity and the company does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and/or the consolidated entity not continue as going concerns.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Fitzroy Resources Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



PKF MACK



SIMON FERMANIS

PARTNER

20 AUGUST 2015

WEST PERTH

WESTERN AUSTRALIA