



FITZROY RESOURCES

Proposed acquisition of hard coking
coal assets

Why Fitzroy Resources?

Key reasons to invest

Low entry cost	Market Capitalisation ~ A\$5 million
Right commodity	Pure exposure to any future Coking Coal price recovery
Low capex, near term production	Permitted, hillside access with nearby third party processing facilities
Right location	Within heart of historic US coal production, with required infrastructure and services nearby
Right people	Experienced management team and strong labour force
Future growth	Central location from which to acquire further coking coal properties

Project Highlights

Hillside mining of outcropping seams

- Over 2500 acres of prospective coal seams
- Above drainage coal seams within Appalachian Basin
 - Outcropping on hillside
 - Geologically simple
 - Relatively flat dipping and
 - No gas issues
- Short term target to commence low capex, rapid mine start up using third party processing close to property
- Highly marketable, mid-volatile hard coking coal
- Permits already exist on property for mining¹, plant, refuse disposal and rail loading²
- Medium term target to construct process facility on site.



Why Coking Coal?

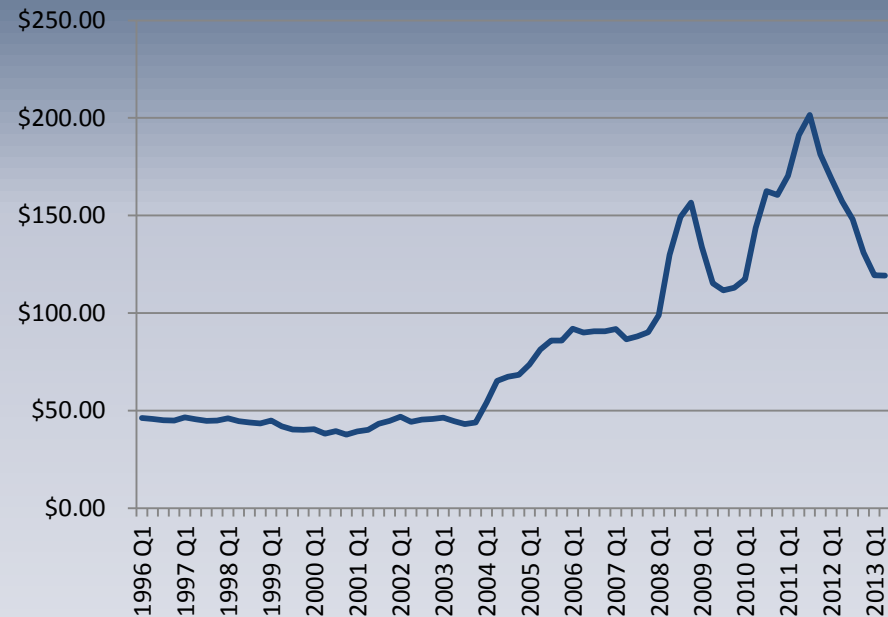
Coking Coal Prices - ready to rebound?

- Prices have been in steady decline since the 2011 peak
- 5% recent price rise in Q4 benchmark pricing
- Consensus view amongst analysts predicting price rises throughout next 2 years
- US Coking Coal is a well established product in the international market, supplying Europe, Brazil, Indian and Asian steel mills

Positive Fundamentals

- Australia (high cost), Mozambique (jurisdictional challenges) and Mongolia (landlocked) face ongoing challenges to meet world supply growth
- Seaborne coking coal prices currently competitive with domestically produced Chinese coal
- Ongoing closure of thermal coal mines also removing related coking coal production from some mines
- No substitutes for coking coal in steel making process (100 tonnes of steel requires >70t of coal)

Historic Coking Coal Prices \$/ton¹



Why the US?

Established coal mining location

- Shale gas revolution has impacted overall coal industry to the benefit of coking coal producers:
 - Thermal coal use in power plants has been displaced by gas causing many US thermal projects to shut down or seek export opportunities
 - Creation of a surplus in mining services and contract equipment in US coal mining districts resulting in a more competitive cost environment
 - Power costs have stabilised to the benefit of US industry
- Well established network of rail, roads and ports to facilitate domestic and international demand
- Well trained, low cost labour force
- Strong history of mining thin coal seams
- Still favourable AUD exchange rate

Transaction Terms

Fitzroy will acquire a 100% controlling stake in two coking coal projects

Fitzroy Resources (“FRY” or “Fitzroy”) holds the option to acquire:

- Premier Coking Coal LLC (“the Premier Option”), who own the option to acquire:
 - Hard coking coal lease – Emmaus
 - Hard coking coal lease – Blackstone and
 - One mine permit

All projects are located in West Virginia, USA

➤ Total consideration paid by Fitzroy:

Cash	Ordinary Shares	Performance Shares ²
US\$817,000 ¹	30,000,000	20,000,000

Who is Premier?

- Established in 2013 by consortium to secure coking coal assets
- Shareholders:
 - Financiers plus seed capitalists
 - Argonaut Equity Partners
 - US coal mining experts



1. Additional \$200,000 shareholder loan will be acquired by Fitzroy
2. Conditions of performance shares:
 - i. FRY share price over A\$0.20 for 30 days; and
 - ii. Either:
 - Decision to mine and attaining a production rate over 15,000 ton per month; or
 - Decision to construct a processing facility on site with a production capacity of greater than 30,000 ton per month

Transaction Summary

Capital Structure	Current	Transaction	Post transaction
Ordinary Shares	47,000,005	36,500,000 ¹	83,500,005
Options (exercise price \$0.30)	11,000,000	0	11,000,000
Performance Shares	0	20,000,000	20,000,000

Cash	
As at 30 Sep 2013	A\$1,457,000

Indicative Transaction Timetable	
Transaction announcement	14 August 2013
Notice of Meeting	14 November 2013
Shareholder Meeting	16 December 2013
Proposed Completion	January 2014

Major Shareholders (Current)	% Ownership
Skye Equity	8.4%
Argonaut	7.3%
Tisia Nominees	6.4%

Major Shareholders (Pro-Forma)	% Ownership
Premier majority shareholders	18.0%
Argonaut Equity Partners	12.5%
Emmaus Partners and Blackstone Corporation	12.0%
Skye Equity	5.1%
Top 20%	74%

1. 36,500,000 comprises:
 - i. 20,000,000 to Premier
 - ii. 10,000,000 to owners of Emmaus and Blackstone
 - iii. Up to 6,500,000 to employees and advisors

Management

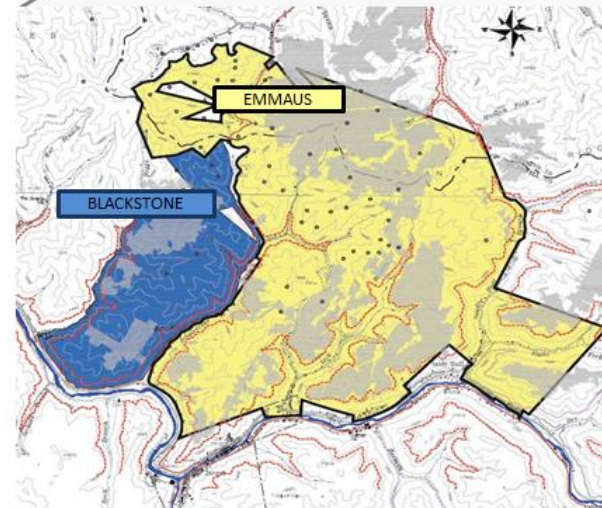
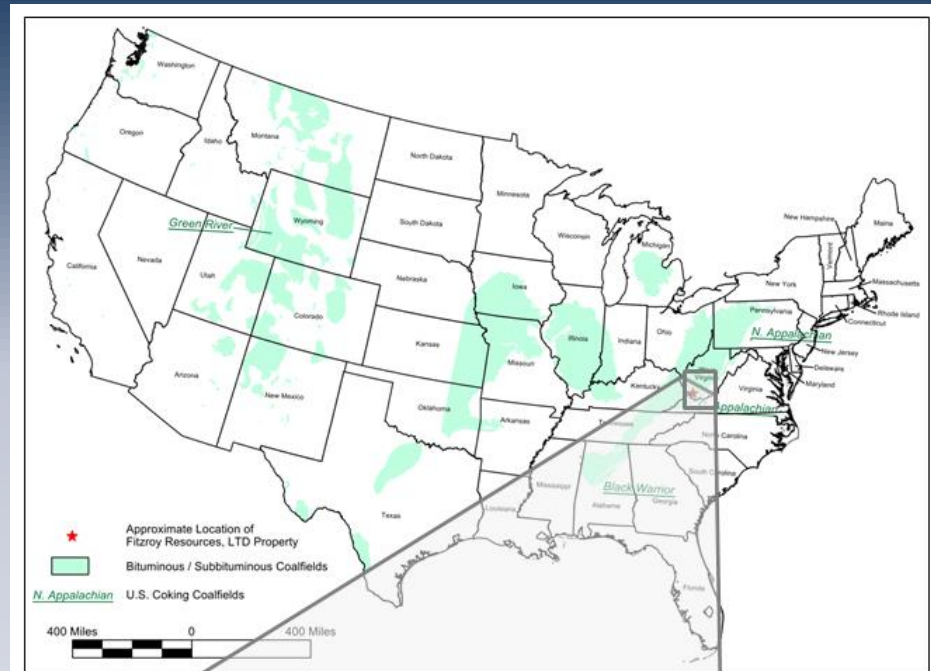
Name & Position	Description
<p>Benjamin Lane Interim Chief Executive Officer</p>	<ul style="list-style-type: none"> ➤ Ben is a mining engineer with over 17 years experience in a variety of operations, planning and commercial roles within the mining sector both in Australia and overseas ➤ 10 years with Rio Tinto Iron and Rio Tinto Coal in operational and strategic planning positions. He has also held operational and business development roles in Yunnan, China and East Kalimantan, Indonesia ➤ Most recently Ben was Director – Corporate Finance at Argonaut Limited, a stockbroking and corporate advisory group based in Perth and Hong Kong. Prior to that he was Principal Mining Engineer for a large Hong Kong listed investment fund.
<p>Mike Amick Interim COO</p>	<ul style="list-style-type: none"> ➤ Mike Amick has a mining engineering degree and a Masters in Business Administration. ➤ Career has spanned project engineer through foreman roles on underground and surface mining operations in the Appalachian coal fields. ➤ Previously General Manager of Specialty Coal, LLC, a coal mining company of the thin Blue Gem seam. Seams were typically less than 24 inches thick and Mike oversaw both surface and underground contract miners while managing the coal preparation plant that processed the coal to specialty specifications before being shipped all over the world. ➤ After that, Mike was the VP of Operations of a surface mining company that surface mined coals as thin as 12 inches thick for the thermal market in Alabama. Mike then became the CEO of JSW Steel’s Prime Coal operation in West Virginia, which had mines and permits within a few miles of the Emmaus property. Before joining with Premier, Mike, along with 3 other partners, purchased an anthracite coal preparation plant in Pennsylvania called Black Diamond Mining.
<p>Patrick Murphy Land & Permit Officer</p>	<ul style="list-style-type: none"> ➤ Patrick has more than 16 years experience in the mining and environmental industries in West Virginia and Pennsylvania where he is a Registered Professional Engineer. His areas of expertise include management, mining and environmental permitting, environmental compliance, water treatment, surface water hydrology and surface and mine design. ➤ Patrick is a highly recognized and respected mining and environmental professional throughout the state and federal regulatory branches. ➤ Patrick possesses a B.S. in Civil Engineering Technology, an M.S. in Engineering – Environmental and is currently pursuing a Masters of Business Administration (MBA).
<p>Mike Casebolt Planning and Survey Officer</p>	<ul style="list-style-type: none"> ➤ Mike is a qualified Surveyor and has over 20 years of mine planning, surveying, exploration and permit experience within West Virginia and Kentucky. ➤ Mike is managing the existing exploration program and will continue to co-ordinate and manage all on-site activities for Fitzroy.

Upon successful completion of the Premier transaction, Fitzroy will prioritise the appointment of further key positions

Emmaus and Blackstone Property Summaries

Location

- Emmaus (~4,700 Acres) and Blackstone (~1200 Acres) are in West Virginia, and within the Central Appalachian Coal Basin, the historic heart of the coking coal fields of the United States
- Major regional towns include Logan, Beckley and Bluefield which are all one to one and a half hours drive away
- West Virginia is by far the largest source of US export coal, producing over 30% of all US coal exports



West Virginian Coal Facts

West Virginia



Coal Mining Statistics ¹	West Virginia	USA
Mines	527	1,296
Employees	24,456	91,611
Production (ton)²	139,424,080 ³	1,095,628,000
- UG	91,363,501	345,606,000
- Surface	48,060,579	748,372,000
Recoverable Reserve	51,322,372,635	485,769,101,000
	Major producers - CONSOL Energy - Alpha Natural Res - Patriot Coal - Arch Coal - Cliffs Natural Res	Major producers - Peabody Energy - Arch Coal, - Alpha Natural Res - Cloud Peak Energy - CONSOL Energy

McDowell County



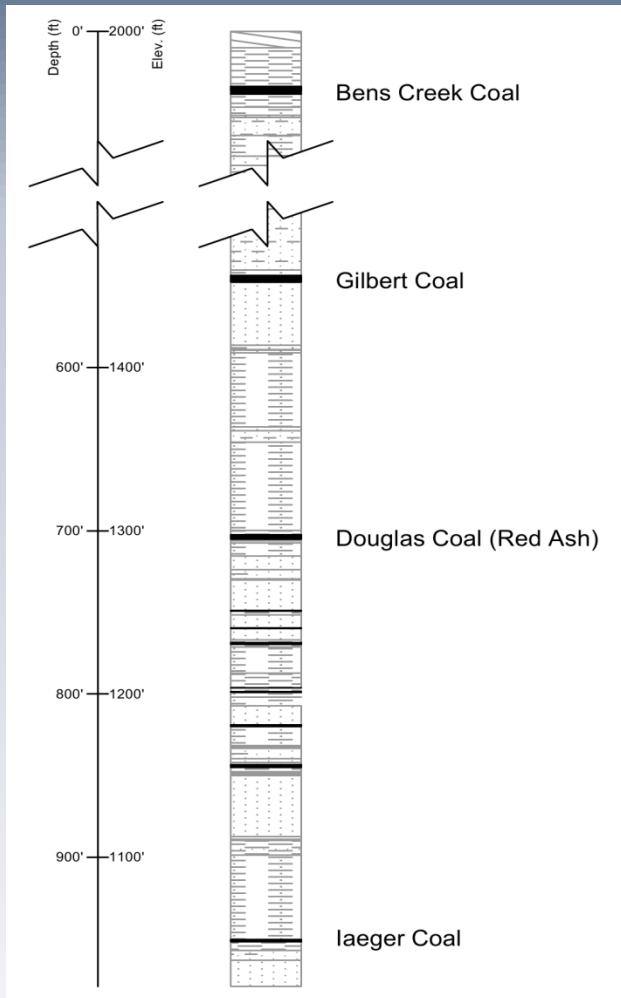
McDowell County Coal Mining Statistics ¹	
Mines	73
Employees	1,206
Production (ton)²	4,290,665
- UG	2,469,784
- Surface	1,820,881
Recoverable Reserve	1,634,151,667
	Major producers - XMV - Bluestone Coal - Extra Energy - Brooks Run Mining

Wyoming County



Wyoming County Coal Mining Statistics ¹	
Mines	28
Employees	1,200
Production (ton)²	4,665,637
- UG	2,833,605
- Surface	1,832,032
Recoverable Reserve	2,402,549,479
	Major producers - XMV - Bluestone Coal - Extra Energy - Brooks Run Mining

Project Geology







- Coal deposits in the eastern United States are the oldest and most extensively developed coal deposits in the country. The coal-bearing formations of the eastern United States contain two-fifths of the country's bituminous coal deposits
- Target seams are mostly within the Kanawha and New River formations. These formations are part of what is known as the *Appalachian Basin*.
- Prospective coal seams - identified to date:
 - Bens Creek
 - Lower War Eagle
 - Gilbert
 - Douglas (locally known as Red Ash)
 - Iaeger

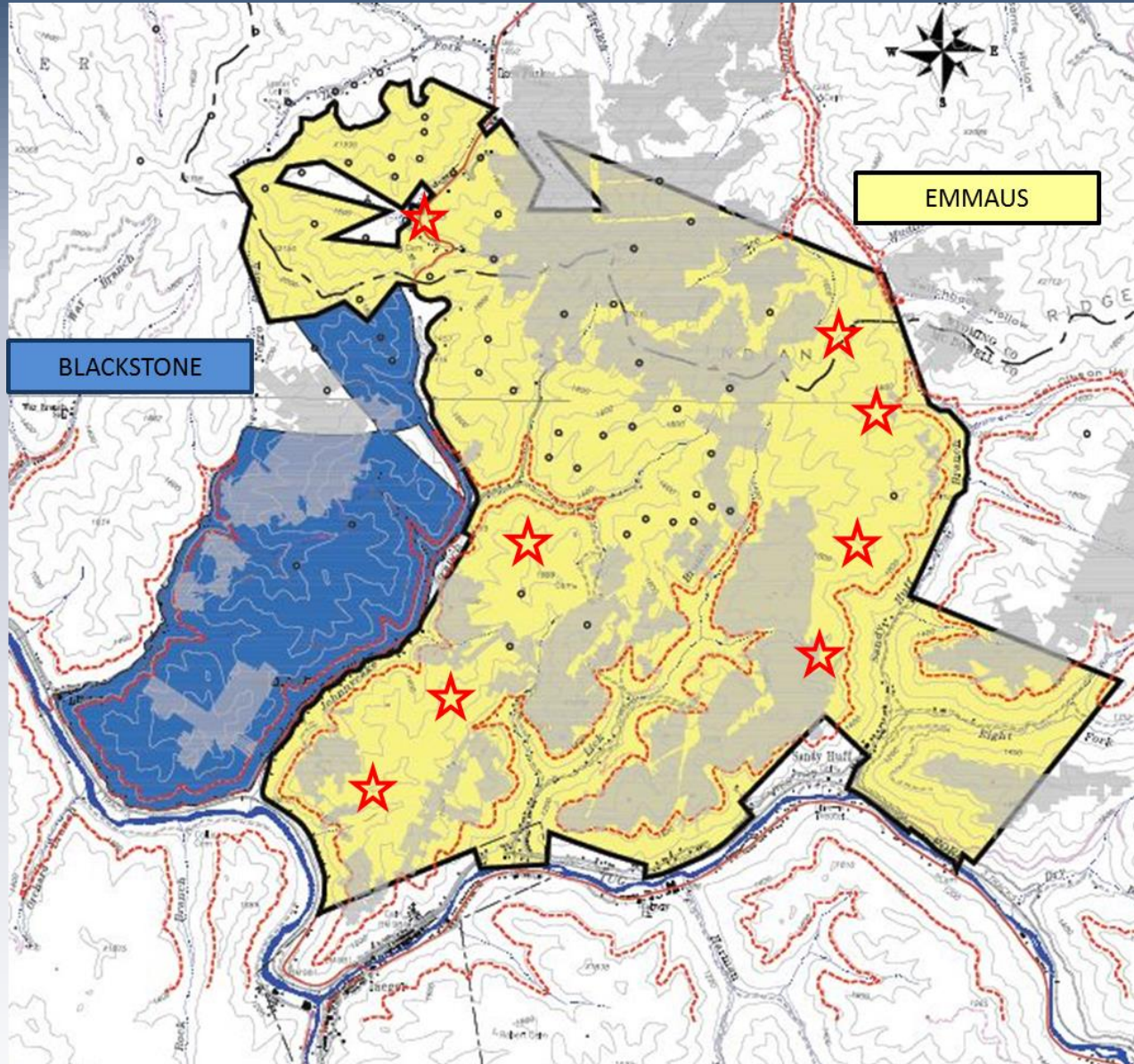
Project Geology

- Coal on the property is characterised as mid-volatile, low sulfur bituminous
- Strata generally dips at one percent, or less, with little to no evidence of structural deformation in the form of faulting or folding
- The target seams are generally contiguous across the majority of the Property, with occasional localised absences
- Seams are “above drainage”. Above drainage seams are above the level that seam gas will typically occur (often the low point of local topography)

Drill Program

- Focus of due diligence:
 - Gilbert;
 - Douglas/Red Ash ;
 - Iaeger (2 holes)
- Future exploration will test upper seams and below drainage seams
 - Not a major focus during due diligence
- 8 holes for approximately 1,100 meters will be drilled with samples tested at nearby labs

-  Current Drilling Program Hole Locations
-  Historic Drill Hole Locations
-  Mined Out
-  Outcrop



Early Stage Opportunities

Ben's Creek Area

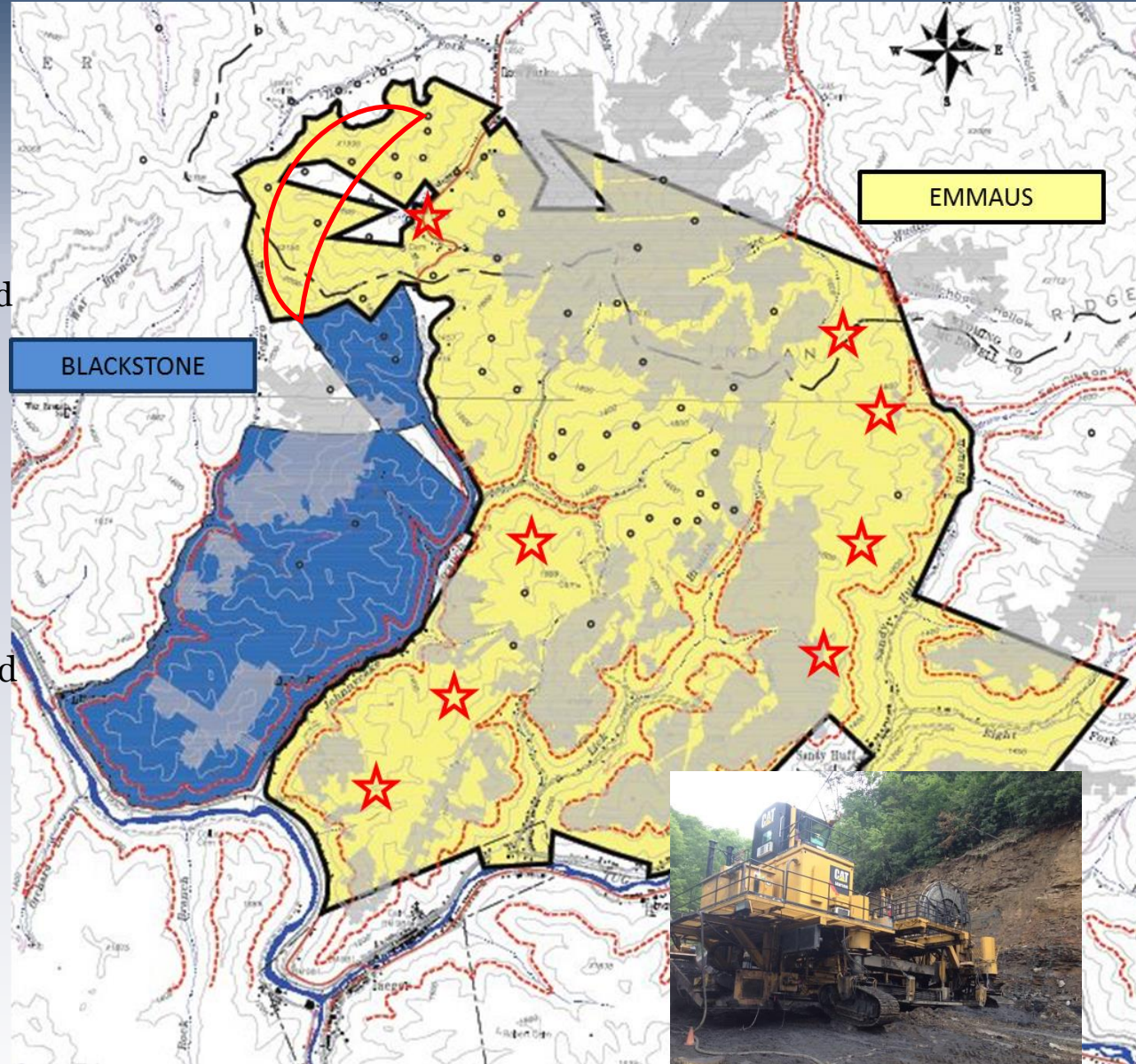
- Permit application submitted to highwall or auger mine Ben's Creek Seam in NW corner of Emmaus
 - Large amount of technical and environmental work completed
- Potential opportunity for:
 - rapid start,
 - short life,
 - low cost production
- Third party processing potential
- Feasibility study¹ to be completed during first half of 2014



Ben's Creek Area



Current Drilling Program Hole Locations



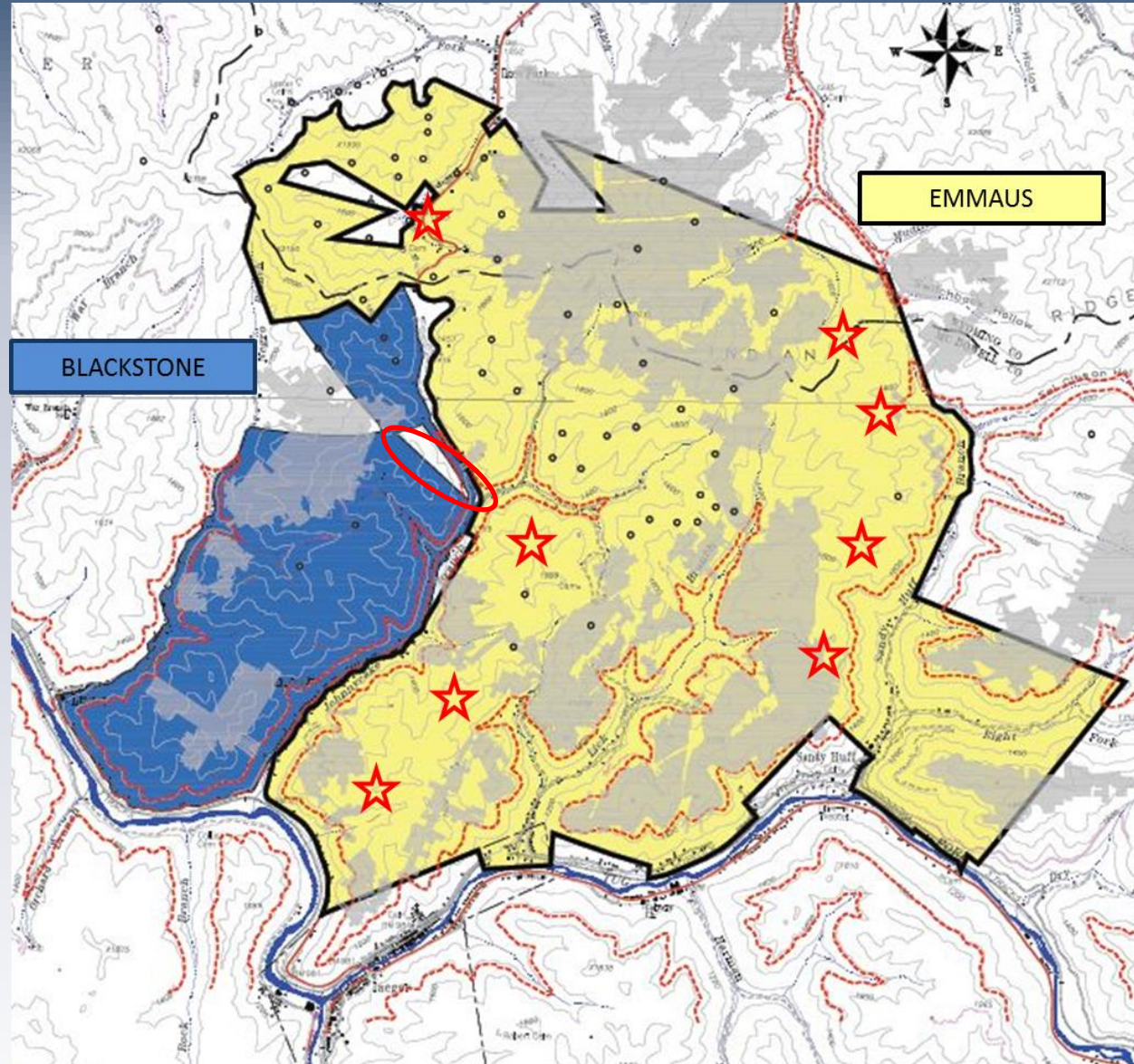
1. With use of consultants and independent experts as required

Early Stage Opportunities

Blackstone Mine Permit

- Premier holds an option to acquire Mine Permit for Blackstone Red Ash seam
 - Opportunity exists to modify permit to allow access to Emmaus
- Due to the well understood nature of the project, Fitzroy would expect to progress straight to feasibility study¹ with successful establishment of a Coal Resource in 2014:
 - Drill Program - Blackstone
 - Mine Design
 - Examine third party processing options
 - Examine marketing and sales opportunities

-  Blackstone Mine Permit Location
-  Current Drilling Program Hole Locations



1. With use of consultants and independent experts as required

Drill Program Photos



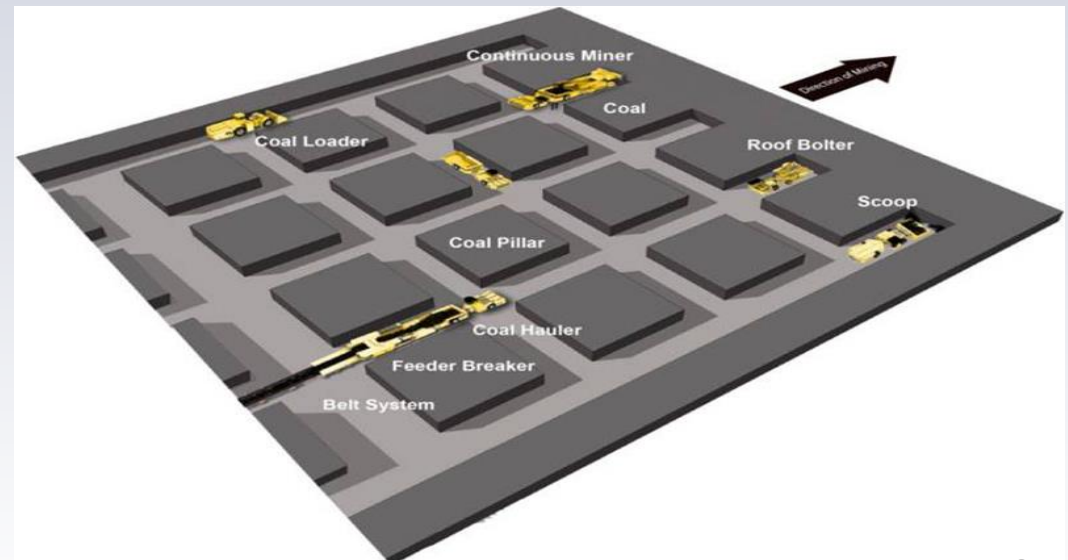
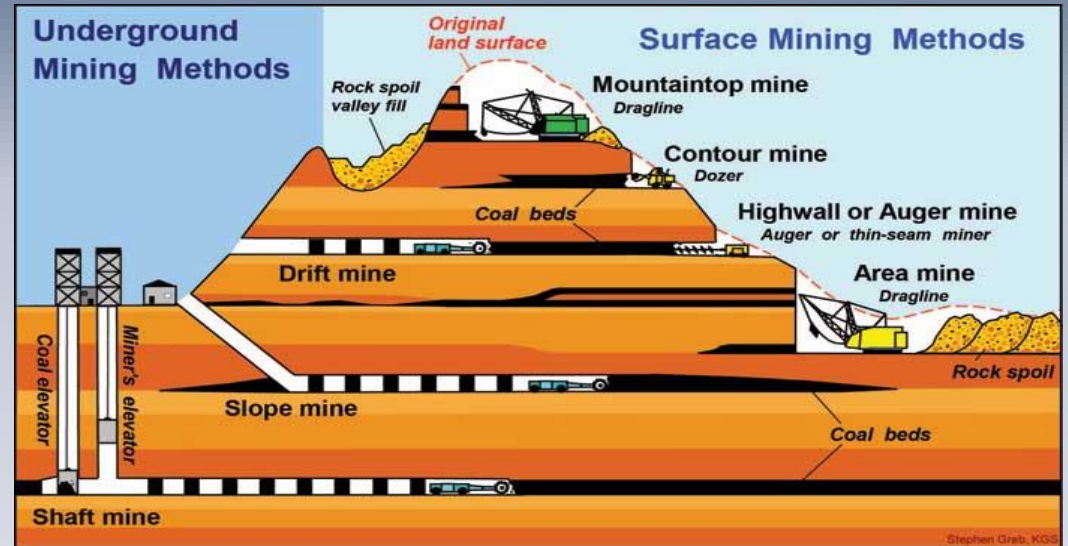
Cardno geologist logging core at first hole of program



Two core samples from first hole of due diligence program

Appalachian Mining Methods

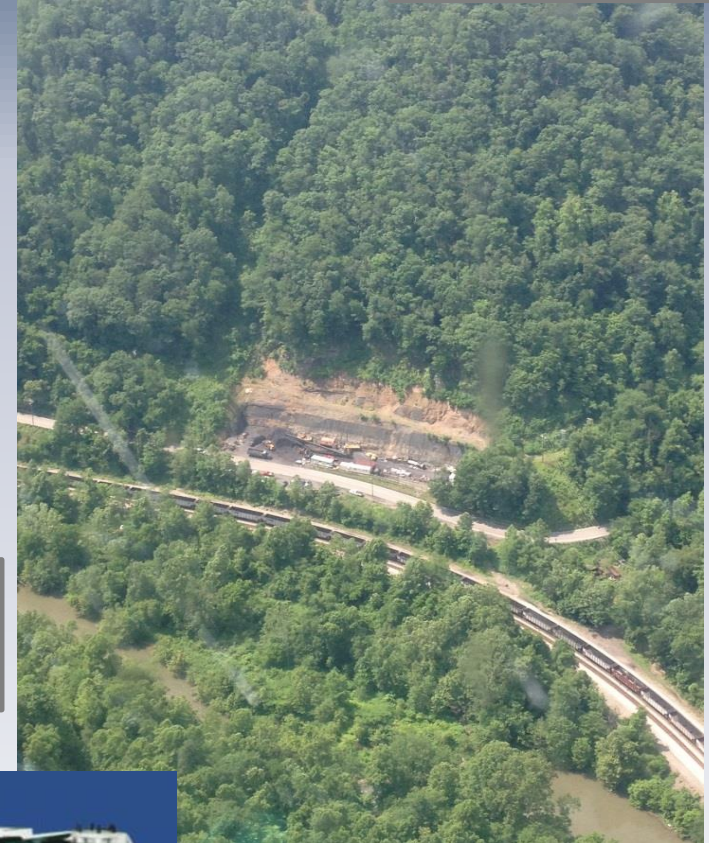
- Above drainage coal seams have low gas content and are more readily accessible from the hillside
- Fitzroy aims to study the viability of a drift mine using Room and Pillar Mining methods.
- A relatively low capital expense for mine access and much faster access to coal and coal revenue would be anticipated
- An opportunity exists in the NW of Emmaus for a highwall/auger mine in the Ben's Creek seam



Appalachian Mining Methods

- Underground Coal in the Appalachians is mostly mined utilising thin seam extraction methods
- Mining to a minimum height (eg 40 inches) is typical
- Equipment exists, such as that shown below and above, that can “clean mine” coal to seam thicknesses as low as 26 to 30 inches
- Coal is typically conveyed to the mine entry where it is either processed on site or transported to third party processing facilities

Typical small mine
“face up” into
hillside

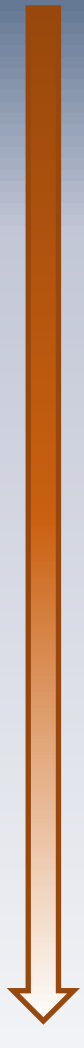


CAT CM210 Thin
seam continuous
miner



GE F330 thin seam
continuous miner

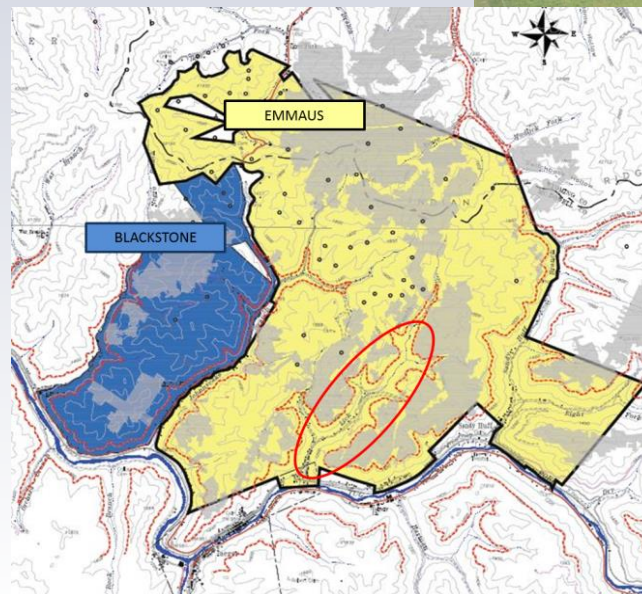
Longer term focus – Establish infrastructure



Scoping Study	<ul style="list-style-type: none">➤ Identify future mining areas at Emmaus➤ Study options for installation of plant and rail infrastructure➤ Marketing study
Permits	<ul style="list-style-type: none">➤ Progress acquisition of existing rail and processing permits on existing property➤ Commence permit process for mine accesses at Emmaus
Mining	<ul style="list-style-type: none">➤ Become a profitable producer of coal from multiple locations➤ Construction and production from a modern, coal processing facility
Coking Coal Price Exposure	<ul style="list-style-type: none">➤ Leverage from future increases in coking coal price
Business Development	<ul style="list-style-type: none">➤ Partnerships with existing operators in area➤ Opportunity to identify new assets within an economic radius of Emmaus

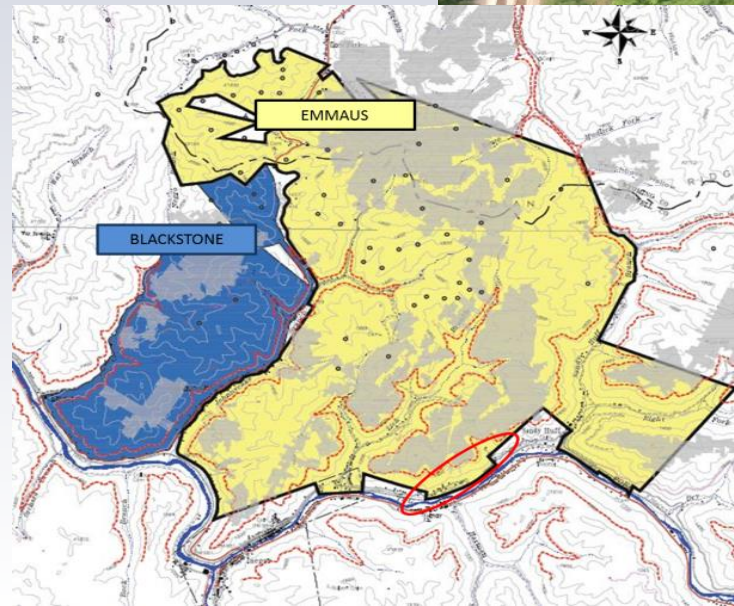
Refuse Dump (Tailings)

- A large capacity tailings dam and impoundment is present on the project lease of Emmaus
- The site is still permitted by a third party, however as leaseholders we have advice that suggests we can “over bond” the area and utilise it for our own processing facility
- Fitzroy will examine the opportunity to reprocess historically inefficiently processed coal



Rail Siding and Plant Yard

- A modest sized plant and rail siding is present on the southern boundary of Emmaus
- Like the tailings dam, the site is still permitted by a third party, however as leaseholders we have advice that suggests we can “over bond” the area and utilise it for our own processing facility
- A rail car yard is within 2 miles of the Emmaus rail siding



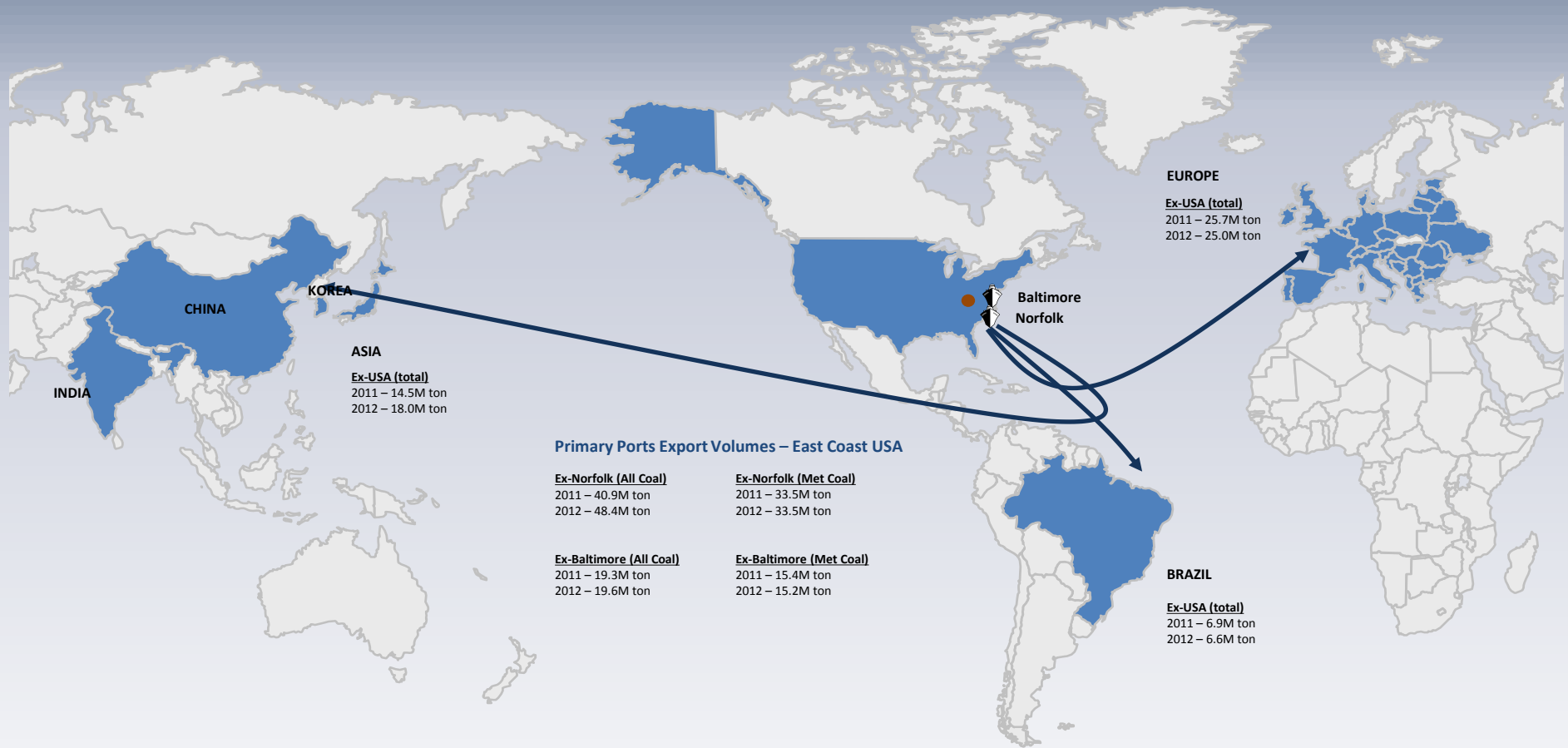
Emmaus property with rail line adjacent

Available rail networks

- Emmaus is in close proximity to an extensive network of rail.
- Norfolk Southern is the closest operator to the property with a rail line to the immediate south of the property
- Able to be readily sold at mine gate for both domestic and international sales



Access to Seaborne Coal Markets



Board and Management

Name & Position	Description
<p>Tom Henderson <i>Chairman</i></p>	<ul style="list-style-type: none"> 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 is now a director and principal of Forrest Capital Pty Ltd, a capital market advisory firm.
<p>Will Dix <i>Non-Executive Director</i></p>	<ul style="list-style-type: none"> Mr Dix is a geologist with 16 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.
<p>Riccardo Vittino <i>Non-Executive Director</i></p>	<ul style="list-style-type: none"> 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 Limited. 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 Limited. He is a Fellow of the Australian Institute of Company Directors.
<p>Russell Lynton-Brown <i>Non-Executive Director</i></p>	<ul style="list-style-type: none"> Mr Lynton-Brown has a background in the Stockbroking and Corporate finance sector. He has extensive experience in the provision of advice to retail, institutional and corporate clients focusing on the natural resources sector. His expertise in capital raisings and corporate restructuring has led to his involvement in many successful companies listed on the ASX and international markets. Mr Lynton-Brown has held directorships with a number of ASX listed mining/exploration companies with operations in Australia, Mongolia, South America and Indonesia. He was a director of Aspire Mining Limited (ASX:AKM) at the time AKM acquired the Ovoot Coking Coal Project in Mongolia.
<p>Simon Robertson <i>Company Secretary</i></p>	<ul style="list-style-type: none"> 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 Australia. Mr Robertson currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

Option Details

Low cash requirements and total cost of execution

Premier Coking Coal

Holds option to acquire Emmaus, Blackstone and Mine Permit

	Date	Consideration
Option	16/8/2013	\$217,000 (paid)
Settlement	Before 16/3/2014	20 million FRY ordinary shares ³
		20 million performance shares

Emmaus

4,700 acre hard coking coal asset, West Virginia, USA

	Date	Consideration
Option	16/12/2013	US \$250,000
Settlement	Before 16/3/2014	7.5 million FRY ordinary shares
		US \$250,000

Blackstone

1,200 acre hard coking coal asset, West Virginia, USA

	Date	Consideration
Option	4/11/2013	US \$55,000 (paid)
Option	16/12/2013	US \$50,000
Settlement	Before 16/3/2014	2.5 million FRY ordinary shares

Mine Permit

West Virginian DEP Permits to mine Red Ash seam from Blackstone

	Date	Consideration
Option	31/10/2013	US \$1
Settlement	On DEP transfer ¹	US \$50,000
	3 years from Jul '14 ²	\$2/t royalty to maximum \$390k

1. Assumed time for transfer 1 to 3 months from submission of documentation
2. Subject to 6 monthly, fully recoupable minimum royalty obligations
3. Additional \$200,000 shareholder loan will be acquired by Fitzroy

Transaction Rationale

High Quality Hard Coking Coal	<ul style="list-style-type: none"> ➤ Highly marketable, mid-volatile, hard coking coal product 	<input checked="" type="checkbox"/>
Lower Risk Development	<ul style="list-style-type: none"> ➤ Initial project focus is above drainage, reducing initial technical issues ➤ Blackstone (and potentially Emmaus) is permitted for underground mining. ➤ Upon a positive feasibility study, commencement of mining can begin very quickly 	<input checked="" type="checkbox"/>
Close Proximity To Infrastructure	<ul style="list-style-type: none"> ➤ Project adjacent to existing rail servicing Norfolk Port 	<input checked="" type="checkbox"/>
Regional Advantages	<ul style="list-style-type: none"> ➤ Target seams accessible from hillside¹ ➤ Established environment from which to draw expertise and resources 	<input checked="" type="checkbox"/>
Low mining capex	<ul style="list-style-type: none"> ➤ Comparatively very low mining capital requirements to start up are expected 	<input checked="" type="checkbox"/>
Experienced Operational Team	<ul style="list-style-type: none"> ➤ Experienced operational management team already on the ground 	<input checked="" type="checkbox"/>
Strategic Address	<ul style="list-style-type: none"> ➤ Strong foothold into the North American coal market, providing a launching pad to further transactions ➤ Favourable mining jurisdiction in a proven coal producing area 	<input checked="" type="checkbox"/>
Opportunistic Timing	<ul style="list-style-type: none"> ➤ Opportunistic period to seek a transaction amidst poor sentiment in the global coal industry ➤ Consensus economics forecasting incremental growth in coking coal price over next 3 years ➤ A still strong Australian dollar allows a more affordable entry price 	<input checked="" type="checkbox"/>

Disclaimer

Certain statements contained in this presentation, including information as to the future financial or operating performance of Fitzroy Resources Ltd and its projects, are forward-looking statements. Such forward-looking statements:

- May include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, Coal reserves and Coal resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Fitzroy Resources Ltd, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

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Further information can be found at www.fitzroyresources.com.au