

## Quarterly Activities Report (Quarter ended 31 December 2019)

### **Highlights:**

- **Highlights in relation to Capital Management**
  - On 14 November 2019, Fitzroy announced its intention to make a takeover offer (**Offer**) for all the shares Fitzroy does not own in Royalco Resources Limited (**RCO**) at \$0.24 per share.
  - At 31 December, Fitzroy had acquired a relevant interest in RCO of 94.99%. Since the quarter end, FZR increased its relevant interest in RCO to 96.58%, closed the Offer on 13 January 2020 and issued compulsory acquisition notices to all remaining RCO shareholders.
  
- **Highlights in relation to Buru Royalty**
  - Total royalties received for the 4 quarters to 31 December 2019 of \$323,254.
  
- **Highlights in relation to Exploration Permits and Production Licences relating to Buru Royalty**
  - Ungani Oilfield production for the quarter of ~104,000 bbls (gross) at a daily rate of ~1,130 bopd, an increase of ~190 bopd from the prior quarter;
  - Oil sales for the quarter of ~74,000 barrels (gross) from a lifting on 1 November;
  - Buru resumed 100% ownership of exploration permits 428, 436 and 391 from Roc Oil (Canning) Pty Limited effective 31 December 2019;
  - Miani 1 exploration well completed with good shows but no commercially significant zones identified; and
  - Blina 4 well recompleted and flow tested with strong initial flows from the previously produced Nullara zone.
  
- **Byron Energy**
  - SM58 prospective resources increased by 2065% since BYE's release of a summary of the independent reserves and resources estimate for its projects in the shallow waters of the Gulf of Mexico;
  - South Marsh Island Compressor 71 upgrade completed; and
  - Byron announces SM71 F4 Well to be drilled in January.

Fitzroy River Corporation Ltd (**Fitzroy, FZR or Company**) is pleased to report on its activities during the quarter ended 31 December.

## A) Corporate:

### 1. Summary of Announcements to the ASX During the December Quarter:

<u>Date:</u>	<u>Announcement:</u>
11 October	Corporate Governance Statement
11 October	Appendix 4G
11 October	Notice of AGM/Proxy Form
11 October	Annual Report to Shareholders
28 October	Quarterly Activities and Cashflow Reports
13 November	Results of Meeting
14 November	FZR Announces Takeover Offer for Royalco Resources
21 November	Lodgement of Bidder's Statement with ASIC
5 December	Despatch of Bidder's Statement
20 December	Fulfilment of Minimum Acceptance Condition
20 December	Freeing of Conditions under Takeover Bid
27 December	Change of Director's Interest Notice – Malcolm McComas
30 December	FZR Takeover Offer – Status of Defeating Conditions

*Table 1: Summary of ASX releases by Fitzroy during the December Quarter (not including announcements cross released on the ASX platform by other companies which included Royalco Resources ASX: RCO and High Peak Royalties ASX: HPR).*

### 2. Announcement of Takeover Offer for Royalco Resources:

On 14 November, Fitzroy announced its intention to make an off-market takeover offer to acquire all the shares in Royalco Resources Limited (ASX: **RCO**, **Royalco**) that it did not already own for a cash consideration of \$0.24 per share. Prior to the announcement of the offer, Fitzroy owned 47.76% of Royalco. At the end of the quarter, Fitzroy had received acceptances for 25,408,604 shares giving Fitzroy a relevant interest in 50,078,143 shares (94.99%). At the close of the takeover, Fitzroy held 50,913,478 shares in Royalco (96.58%). Subsequent to the end of the quarter, Fitzroy issued compulsory acquisition notices to all remaining shareholders in respect of all outstanding Royalco shares.

**3. Royalties:**

During the quarter, Fitzroy did not receive any royalty payments. (Two royalty payments were received from Buru in the previous quarter. Fitzroy received a royalty on 17 January 2020 of \$63,542 in respect of a lifting of 73,757 bbls of oil sold in November and will receive a further royalty in April in respect of a lifting subsequent to the end of the quarter of ~78,000 bbls on 10 January.

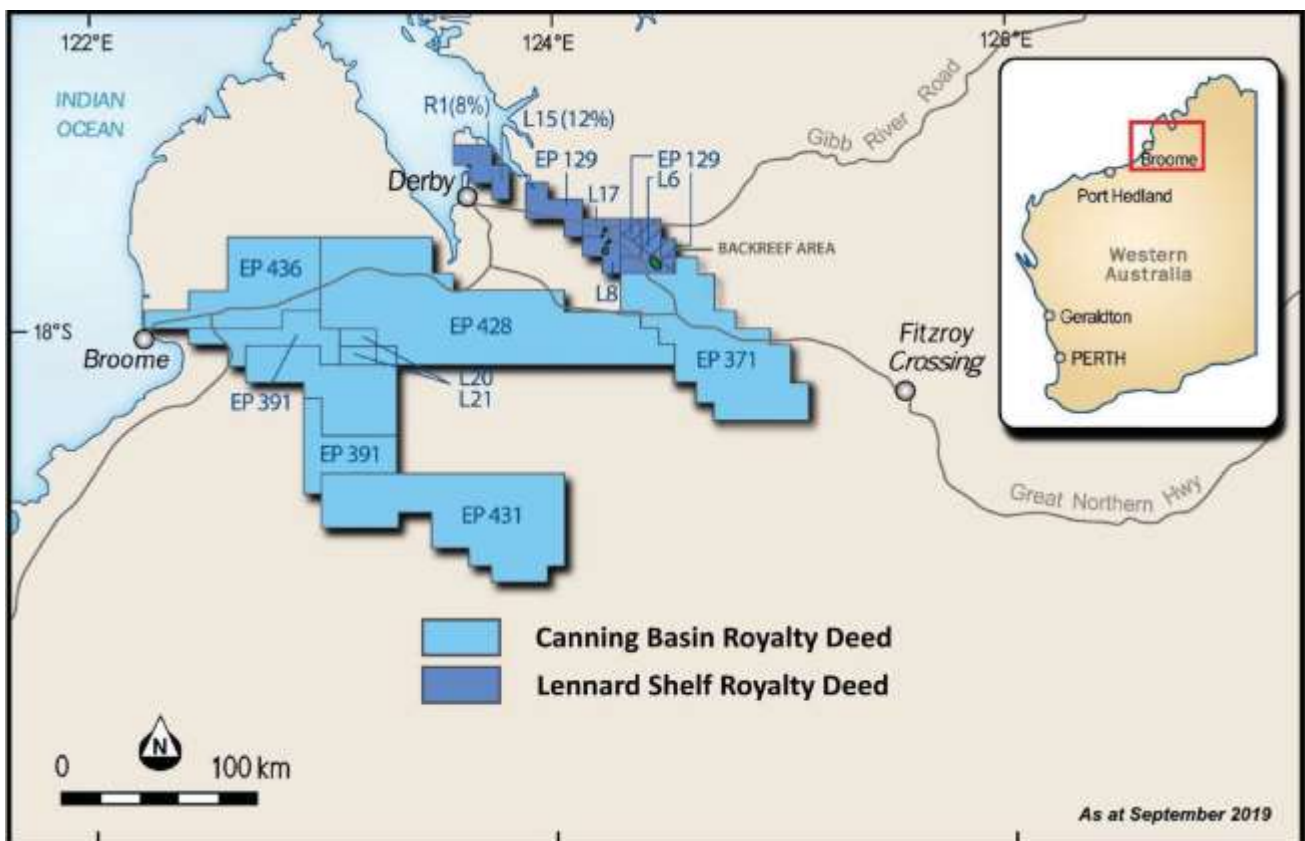
**4. Shareholders**

Fitzroy has 86,363,401 ordinary shares on issue held by 843 registered shareholders (as at 28 January 2020).

**B) Projects and Assets:**

**1. Royalty deeds:**

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



*Figure 1: Map of Tenements over which Fitzroy has a royalty.*

The map on the previous page shows the location of all the Company's royalty interests with those acquired under the Canning Basin Royalty Deed shown in light blue and with those shown in dark blue being the areas acquired under the Lennard Shelf Royalty Deed.

## **2. Announcements by Buru Energy Limited (ASX: BRU):**

During the quarter, Buru reported the following progress on production, development and exploration.

### **2.1 Ungani Oilfield Production – L20/L21:**

Buru's production during the quarter was ~104,000 barrels (gross). The average rate of production was ~1,130 bopd from Ungani.

### **2.2 Resumption of Ownership of EP 428, 436 and 391:**

During the quarter, Buru announced that it had reached agreement with Roc Oil (Canning) Pty Limited (**Roc**) for Roc to withdraw from its 50% interest in Canning Basin exploration permits EP 428, 436 and 391 effective 31 December 2019 which are covered by the 2018 Farm-in agreement between Buru and Roc. Following the withdrawal, these explorations permits are held by Buru 100%.

## **3. Changes in relation to EP371:**

As a result of the agreement between Buru and Mitsubishi dated 27 April 2018, Diamond Resources (Canning) Pty Ltd (**DRC**), which was then a subsidiary of Mitsubishi Corporation, held 100% of EP371. On 27 September 2019, Mitsubishi transferred its shares in DRC to a private company ('newco'). Neither DRC nor newco is a reporting entity.

## **4. Investment Highlights:**

### **4.1 Byron Energy Limited:**

Fitzroy continues to monitor its investment in Byron Energy Limited (**ASX: BYE, Byron or Byron Energy**). Fitzroy holds over 17.45m shares in Byron Energy. During the quarter, on 17 October 2019, Byron announced that its prospective resources for SM58 have increased by 2065% since its announcement on 19 September 2019 when the Company released a summary of the independent reserves and resources estimate for its projects in the shallow waters of the Gulf of Mexico.

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

Canning Basin Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Registered Holder
EP 391	1 Feb. 2015	31 Jan. 2024	2,274.7736 (26 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
EP 371	31 July 2014	30 July 2023	3,663.2577 (45 blocks)	Bennett Resources Pty Ltd (formerly known as Diamond Resources (Canning) Pty Ltd)
EP 428	31 July 2014	30 July 2023	6,431.9741 (79 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
EP 431	31 July 2014	30 July 2023	4,211.4604 (52 blocks)	Buru Energy Limited
EP 436	31 July 2014	30 July 2023	2,404.1372 (30 blocks)	Buru Energy Limited Roc Oil (Canning) Pty Limited
L20	2 July 2015	-	162.7085 (2 blocks)	Buru Energy Limited (50%) Roc Oil (Canning) Pty Limited (50%)
L21	2 July 2015	-	162.6399 (2 blocks)	Buru Energy Limited (50%) Roc Oil (Canning) Pty Limited (50%)
R 1	11 Oct 2016	10 Oct 2022	245.1571 (3 blocks)	Gulliver Productions Pty Ltd <sup>1</sup>
L 15	1 April 2010	31 March 2031	163.46 (2 blocks)	Gulliver Productions Pty Ltd <sup>1</sup>

**Table 2 (above): Schedule of Tenements under the Canning Basin Royalty Deed as recorded by the Western Australia Department of Mines, Industry Regulation and Safety as at 28 January 2020.**

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<sup>1</sup> Gulliver Productions Pty Ltd is a 100% subsidiary of Rey Resources Limited (ASX: REY).

Lennard Shelf Royalty Deed:

EP or PL #	Date Issued	Expiry	Area (km2)	Held by
EP 129 <sup>2</sup>	18 March 2016	17 March 2025	652.9955 (8 blocks)	Buru Energy Limited
L 6	19 May 2006	18 May 2027	407.9 (5 blocks)	Buru Energy Limited
L 8	19 May 2006	18 May 2027	326.3084 (4 blocks)	Buru Energy Limited
L 17	10 April 2013	Indefinite	81.6 (1 block)	Buru Energy Limited

*Table 3: Schedule of Tenements under the Lennard Shelf Royalty Deed as recorded by the Western Australia Department of Mines, Industry Regulation and Safety as at 28 January 2020 .  
(# EP = Exploration Permit, L = Production Licence (e.g. L20, L21 etc).*

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

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

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

**C) Events Subsequent:**

Subsequent to the end of the quarter, Fitzroy announced that it had moved to compulsorily acquire the shares in Royalco that it did not already have an interest in.

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<sup>2</sup> Fitzroy is monitoring the activities on the 'Backreef Area' of EP 129 and L6, particularly those of Emperor Energy Ltd (ASX: EMP) (formerly Oil Basins Ltd). It is understood that Buru holds 100% of the Backreef Area on trust for Emperor Energy Ltd due to the completion of the drilling of the East Blina-1 well on 31 October 2012 in accordance with the 'Backreef Play Agreement' dated 30 October 2008. Fitzroy is currently in negotiations with Buru regarding the terms of a deed of covenant proposed to be entered into by the beneficial owners of the Backreef Area, to support Fitzroy's royalty interest. Until such time as a deed of covenant is executed, the contractual relationship governing the 3% royalty obligation (which is registered against EP 129 and L6) is between Fitzroy and Buru alone.

As a result of its acquisition of Royalco, Fitzroy will be entitled to:

- Royalties from Royalco’s 1.0% interest in the Weeks Royalty; and
- The beneficial interest in various other royalties (currently non-operating) held by Royalco as shown in table 4 below.

PROJECT	OPERATOR	ROYALTY	COMMODITY
Weeks Petroleum	ExxonMobil/Gippsland Basin JV	1% of 2.5%	Hydrocarbons
Reefton-Blackwater	Oceana Gold Ltd (ASX: OGC)	1-3% ORR	Gold
Sam's Creek	MOD Resources Ltd (ASX: MOD)	1% ORR	Gold
Mt Garnet	Consolidated Tin Mines Limited (ASX: CSD)	3% NSR	Zinc, lead, silver
Bowdens	Silver Mines Ltd (ASX: SVL)	1 – 2 % NSR	Silver
LFB (Molong)	Regis Resources Ltd (ASX: RRL)	3% NSR	Gold, copper

*Table 4: Schedule of royalty interests held by Royalco.*

This quarterly activities report has been approved for release by the full Board of Fitzroy River Corporation Limited. Contact details regarding this announcement:

**Malcolm McComas – Chairman**

**0412 016 009**

[mccomas.m@gmail.com](mailto:mccomas.m@gmail.com)

Dated: 28 January 2020

**Important**

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

## Appendix 5B

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

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

### Name of entity

Fitzroy River Corporation Ltd

### ABN

75 075 760 655

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		131
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(175)	(285)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	9
1.5 Interest and other costs of finance paid	(100)	(100)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(270)</b>	<b>(245)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		



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

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings	5,000	5,000
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		(47)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>5,000</b>	<b>4,953</b>

*Other relates to share buy backs*

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,230	1,252
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(270)	(245)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,000	4,953

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,960</b>	<b>5,960</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,960	1,230
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,960</b>	<b>1,230</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

57

Director and company secretarial fees

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	5,000	5,000
Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>150</b>

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

**Compliance statement**

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



28 January 2020

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

Date: .....

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

**Note-++**

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