

CHAIR'S ADDRESS TO THE

2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Ladies & Gentleman, thank you for your attendance today at the Company's 2014 Annual General Meeting of Shareholders.

Royalty Deed Interpretation:

Following on from the EPG buy back in 2012 the last of the legacy issues is the correct interpretation of the Royalty Deed which is the subject of litigation in the Supreme Court of WA between the Company and Buru/Mitsubishi, as announced to the ASX on 26 August 2013. A court ordered mediation was held on 27 October 2014. A further mediation is scheduled for 10 December 2014. No court date for the hearing has yet been set but it is not expected before the New Year

On Markey Buy Back:

As part of the Company's Capital Management Program, FZR announced in May that it is undertaking an on market buy-back of up to 10% of its own shares over the ensuing 12 month period to May 2015. The Company has not yet activated the buy back and will await the outcome of the mediation process before considering the purchase of any shares thereunder and of course, subject always to it being satisfied it has no non-public price sensitive information whether relating to the litigation or otherwise.

Activity on Royalty Areas:

FZR Shareholders will no doubt appreciate that the value of the Company is closely linked to the value of Buru and the activity conducted by Buru on each of the permits the subject of the royalty agreements. The Board is pleased to note some of the recent announcements by Buru, which includes:

- The encouraging preliminary results from the Ungani 1 workover (announced by Buru on 3 November 2014);
- The successful completion of the first stage of the production test of the Ungani North 1 well (announced by Buru on 12 November 2014); and
- That subsequent to the Phase 1 workover of Ungani 1ST1, the overall average field production rate is currently being constrained to ~1,250 barrels of oil per day which is the most efficient rate with the current transportation configuration. Buru noted that further production testing and pressure monitoring of both Ungani 1ST1 and Ungani 2 will be necessary to calibrate the dynamic modelling of the field, with the well performance currently exceeding modelling predictions (announced in Buru's Quarterly report for the period ended 30 September 2014).

However, the Company continues to monitor and wait for further announcements in relation to further exploration on and production from the tenements over which FZR holds a royalty interest.

ASX Classification:

FZR has recently received a query from ASX regarding the Company's high level of cash compared to total balance sheet assets. FZR has responded to the ASX stating that the royalty deeds covering tenements in the Canning Basin are material assets which, due to accounting standards and treatment, do not appear on the Company's balance sheet and that, in effect, the Company's cash balance represents a significantly lesser proportion when compared to its market capitalisation. The ASX is considering the application of ASX listing rule 12.3 in this respect and awaits the ASX's response.

Future Investments:

With respect to potential future investments, FZR is actively seeking investments related to royalty interests, free carried interests and minor equity positions. On 24 February 2014, FZR announced that it had engaged Royalty Stream Investments Pty Ltd (RSI) on a 12 month contract to assist FZR to originate, execute and manage new natural resource investment opportunities. FZR continues to work closely with RSI to identify the best opportunities that fit within the Company's strategy and meet the strict criteria set for investment.

On behalf of the Board, I would like to thank our former Executive Director, Mr Sebastian Hempel, who retired on 30 June and also the Company's shareholders for their support throughout the year.

Susan P Thomas
Non-Executive Director & AGM Chair

21 November 2014