9 January 2014

Letter to Shareholders of Fitzroy Resources

Dear Shareholder,

I am pleased to be writing to you as the recently appointed Chief Executive Officer of Fitzroy Resources Limited ("Fitzroy"). This is an exciting time to be a shareholder of Fitzroy as the company advances its strategy to become a hard coking coal producer with the aim of maximising shareholder value.

Since August 2013, when Fitzroy announced its USA coking coal strategy and I became Fitzroy's interim CEO the company has achieved a lot and we continue to work hard to bring you results. Key milestones we have achieved since August include:

- completed our first drilling program, which included a significant intersection in the newly discovered Beckley/War Creek seam[1]
- released a full technical report[2]
- renegotiated the transaction to improve the terms and to include the Blackstone project and its mining permit[3]
- finalised the acquisition of Premier Coking Coal[4]
- announced a further drilling program to test the below drainage potential within our properties[5]

We enter 2014 with an exciting work program which will incrementally advance us towards our goal of coking coal production. Our plan for this year is to continue our drilling program in order to define a maiden Coal Resource for both the above and below drainage regions of our properties and to then complete the necessary technical and economic studies to justify production.

In order to progress these objectivities, the company announced on 23 December 2013, a placement to sophisticated investors along with a fully underwritten rights issue to existing shareholders to raise ~$1.25 million.

You should have already received key documentation relating to the rights issue and I would encourage you to consider participating in the rights issue. Funds raised from the rights issue and placement will be used to progress Fitzroy's US Coking Coal strategy. I would also invite you to contact me should you have any questions or should you wish to know more about your company including its coking coal projects and activities in the USA.

I appreciate your continued support of Fitzroy and I assure you my team and I are fully focussed on successfully executing Fitzroy's strategy to maximise shareholder value.

Yours faithfully,

Benjamin Lane
Chief Executive Officer

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[1] Announced 6 Dec 2013
[2] Announced 10 Dec 2013 and available in full on the Fitzroy Resources homepage
[3] Announced 13 Nov 2013
[4] Announced 23 Dec 2013
[5] Announced 23 Dec 2013

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About Fitzroy Resources

Capital Structure

Share Code	**ASX: FRY**
Shares on Issue	**73.5 Million**
Options	**6 Million**
Performance Shares on issue	**20 Million**

Directors and Management

Tom Henderson, **Chairman**
Will Dix, **Director**
Ric Vittino, **Director**
Russell Lynton-Brown**, Director**

Benjamin Lane**, Chief Executive Officer**
Simon Robertson, **Company Secretary**

Projects

Emmaus:
Hard Coking Coal Property
West Virginia, USA
100km S of Charleston, WV
Blackstone:
Hard Coking Coal Property
West Virginia, USA
100km S of Charleston, WV

Rookwood:
VHMS copper/gold prospect
70km NW of Rockhampton, Qld
Glentanna:
VHMS copper/gold prospect
140km SW of Brisbane, Qld

Fitzroy Resources Ltd is an Australian based coal development company, with two hard coking coal projects in West Virginia, USA.
Fitzroy's main focus is to explore the coal potential of the Emmaus and Blackstone projects for hard coking coal and to rapidly develop into a producer of hard coking coal to the US domestic and export markets.

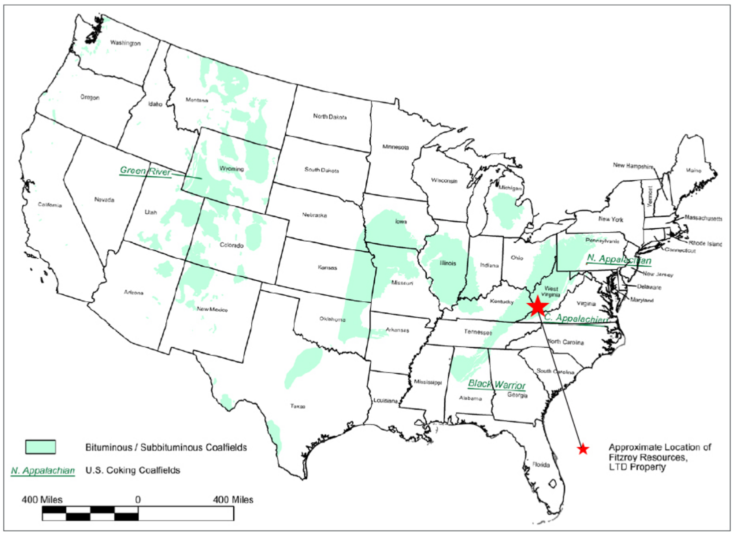

FIGURE 1 – LOCATION OF EMMAUS AND BLACKSTONE

Fitzroy also owns the Rookwood and Glentanna exploration tenements in Queensland, Australia. Rookwood contains potential for the discovery of substantial VHMS copper/gold deposits beyond the existing resource.

About Ben Lane

Ben is a mining engineer with 17 years' experience in operations, planning, funds management and commercial roles. His commodity experience includes iron ore, coal, copper and zinc at both greenfield and brownfield mine sites. Ben has worked in a number of international roles based in China, Indonesia and Hong Kong. He spent 10 years as a mining engineer at Rio Tinto Iron Ore and Rio Tinto Coal and most recently was Director, Corporate Finance at Argonaut Limited. Ben is also is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).