

<p style="text-align: center;"><b>QUARTERLY REPORT FOR THE PERIOD ENDING 31st DECEMBER 2011</b></p>
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**Activity Summary**

- Restricted field activity was undertaken at Yarlarweelor whilst planning and approvals for further drilling are in progress.
- Management continues to review a number of identified uranium projects during quarter.
- Broader project reviews continue on strategic corporate opportunities in commodities other than uranium.

**Corporate**

- Board and management support the long term, counter cyclic, participation in the uranium sector.
- The due diligence on several Australian and off-shore uranium projects continues.
- Projects with other commodity focus are also being considered in light of FYI's long term strategic company growth objectives.

## REVIEW OF OPERATIONS DECEMBER QUARTER 2011

### YARLARWEELOR: Uranium project – WA (100% interest)

The Yarlarweelor uranium project is located 125 kilometres north of Meekatharra in Western Australia and consists of two granted exploration licences covering an area of 656km<sup>2</sup>.

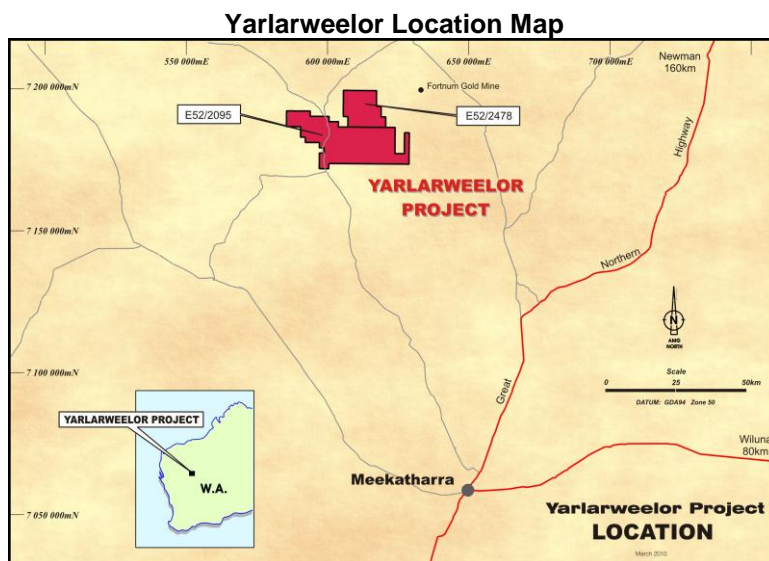
The Company is targeting significant uranium mineralisation (in the form of uranite) previously encountered within the Archaean Despair Granite on E52/2095 and associated with biotite schists related to intense shear zones.

Previous FYI materially mineralised drill intersections on the project include:

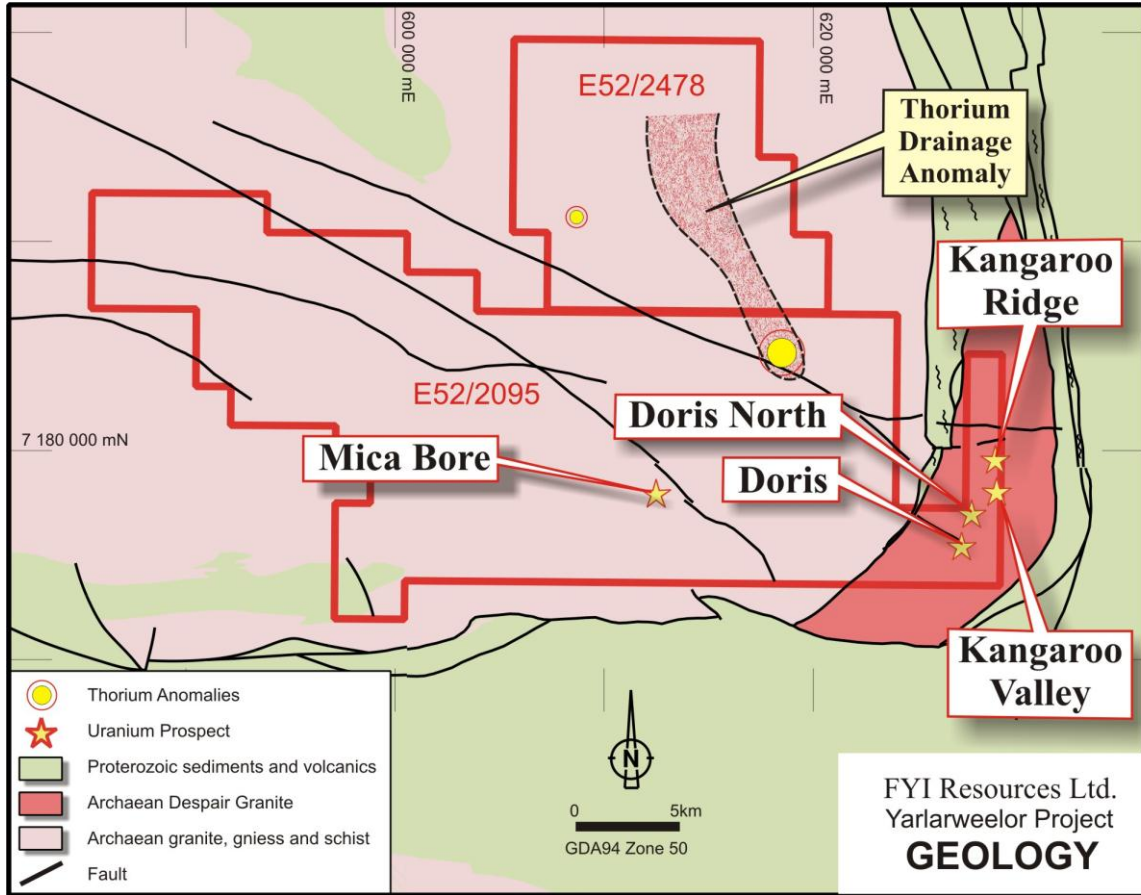
- **35m @ 503ppm U<sub>3</sub>O<sub>8</sub> from 125.1m, including 5m @ 1,069ppm U<sub>3</sub>O<sub>8</sub>; and**
- **7.8m @ 588ppm U<sub>3</sub>O<sub>8</sub> from 47.8m, including 1m @ 1,873ppm U<sub>3</sub>O<sub>8</sub>**

Results from a previous detailed airborne radiometric survey and geological mapping indicates shear zones with a combined strike length in excess of 25 kilometres exist within the Company’s tenements and may be prospective for uranium mineralization.

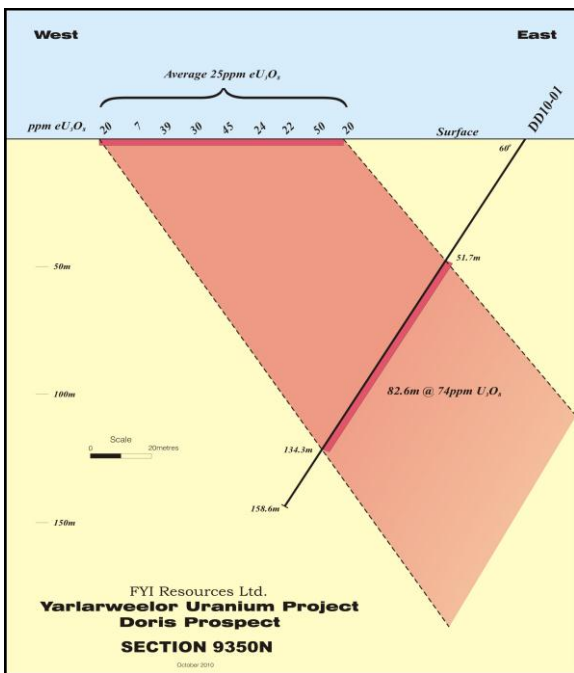
FYI will review the project in context of the large extent of prospective strike length of shear zones, prominent radiometric anomalies and encouraging drilling to date. Planning for further drilling is being undertaken and necessary approvals for drilling will then be lodged.



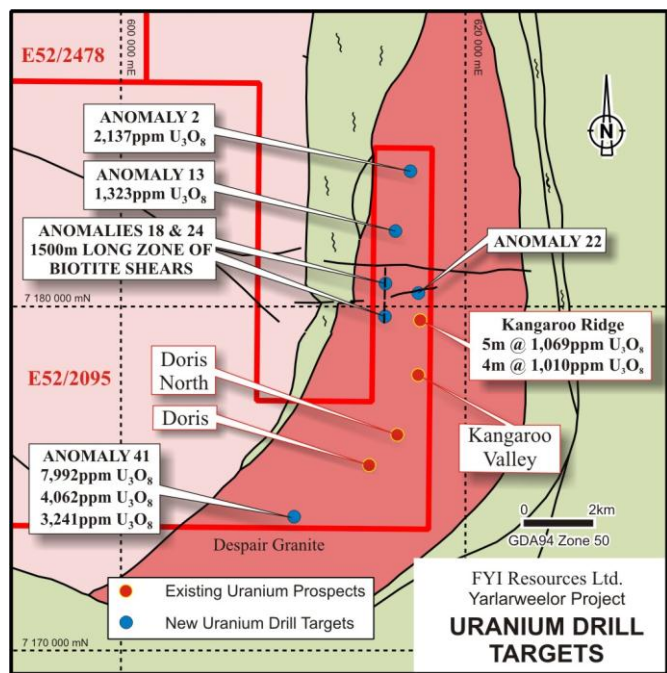
**Yarlarweelor Project Detail Maps**



**Yarlarweelor Geology**



**Yarlarweelor Mineralised Section**



**Yarlarweelor U3O8 Drill Targets**

## NEW PROJECT REVIEW

A number of prospective business development opportunities in other commodities and geographical regions outside of Australia are being pursued by management. Focusing on copper and copper / gold projects in Chile, a shortlist of projects has been established and detailed reviews are being undertaken in respect to suitability for acquisition.

- End -

### Further Information:

**Adrian Jessup**

Director  
Tel: (08) 9361 3100

**Roland Hill**

Chief Executive Officer  
Tel: 0414666178

### **DISCLAIMER**

*eU and eU<sub>3</sub>O<sub>8</sub> are values obtained using a calibrated Exploranium GR-135 spectrometer.*

*The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee of Empire Resources Ltd. He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Ross consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.*