

7 October 2016

ASX Release (ASX code: "FYI")

## **FYI Furthers Due Diligence with Positive Exploration Results from Underground Potash Project Review**

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FYI Resources Limited (FYI) is pleased to update the market on progress of the due diligence review on the Sino-Lao Potash project in Laos, currently majority-owned by Yuntianhua Group ("YTH"), China.

The Sino-Lao project has successfully completed trial production studies, and FYI are negotiating a Joint Venture with YTH to take the project to commercial production.

YTH have invested approximately US\$180m into the project to date. The largest part of this investment is into asset infrastructure, including underground mine development, and surface processing facilities.

FYI's due diligence review of the underground and supporting facilities is therefore an integral component in the Sino-Lao potash project assessment.

FYI's technical review team undertook a detailed mine inspection and supporting sampling program of the 190 level (364RL) development and production drives of the Sino-Lao project.

### **Highlights**

- Substantial infrastructure already established.
- Assays indicating a carnallite mineralogy.
- Comparable due diligence grades to those reported by YTH.
- Low insolubles

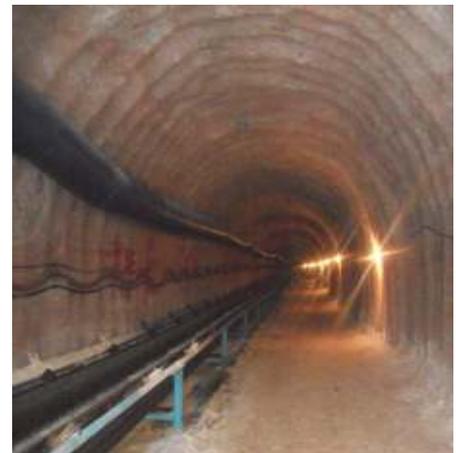
### **Purpose of Underground Review**

The review of the underground facilities and sampling program provides FYI with an ideal qualitative and quantitative technical due diligence reference point in respect to providing:

- validation of the potash mineralisation (extent and grade);
- demonstrable evidence of previous operation and inputs for future mine design;
- confidence in supporting reference points and data inputs for the deposit and FYI's exploration model that is currently being determined; and,
- sufficient bulk sample material for metallurgical test work and process design (of which studies are to begin shortly).



*Thong Mang Potash Mine - underground access and development drives*

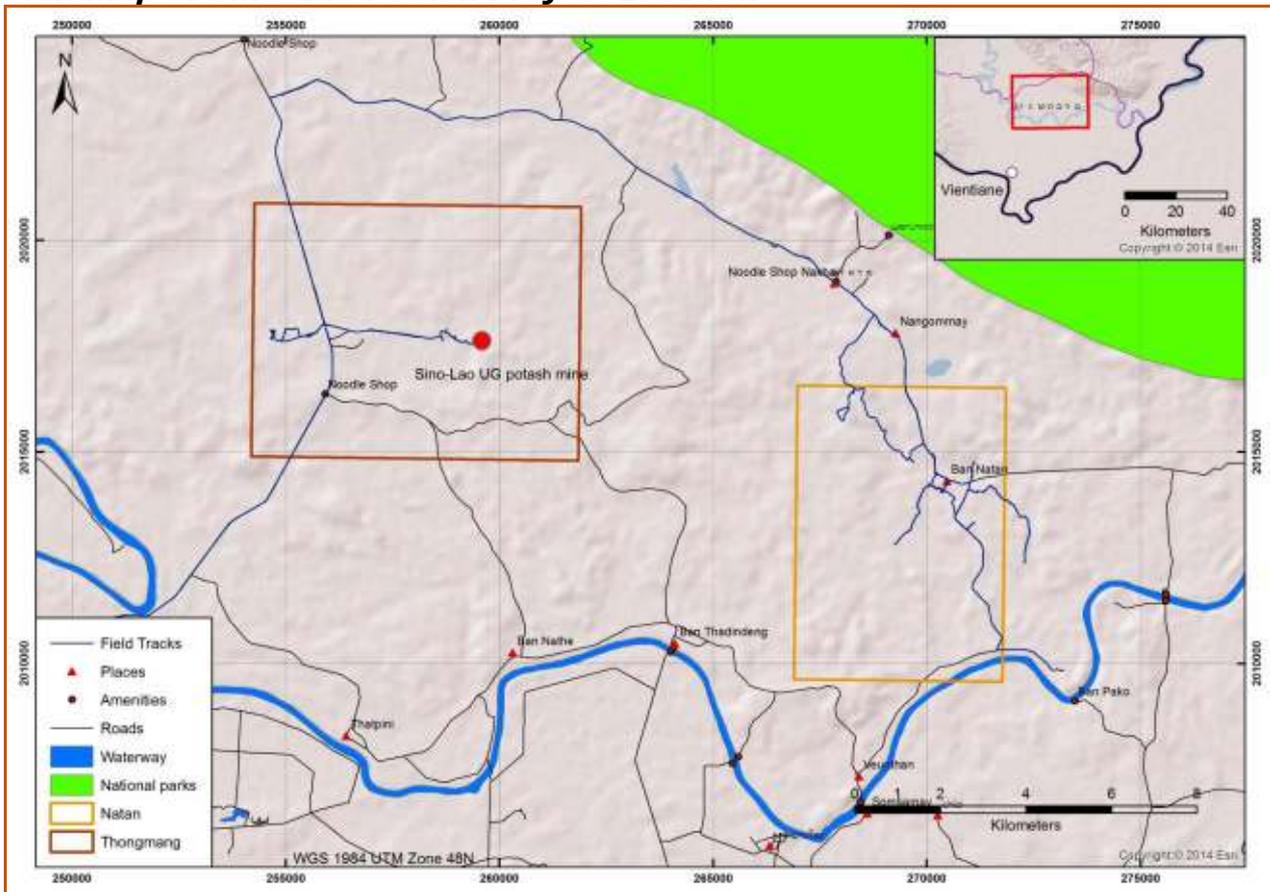


*Thong Mang Potash Mine - underground production drive and conveyor belt*

## Underground Review

The FYI review team appraised the winder room, the main, auxiliary and ventilation shafts, the main haulage lifts, the mine services at 400 level (pumps, electrics, switching gear), the production and development drives, the conveyors, ventilation, and other equipment.

## Plan map of Sino-Lao Potash Project Location



## Underground Sampling

Eight samples were collected for due diligence purposes from the wall and floor of the 190 Level (364RL) of the Sino-Lao potash project over an area of approximately 800m<sup>2</sup> by the due diligence team (see sample locations on mine map below).

The samples were gathered for two distinct purposes:

### 1. Due diligence

Samples 071901, 903,904,905,907 and 908 were collected approximately 400m from the Main shaft along the Eastern access drive and start of the production drives. Each sample was a 5kg grab sample, comprising representative fresh material which was randomly collected by geo-pick and chisel. The material was composited over an approximate 1m<sup>2</sup> area from the production walls and faces designed to test the previous reported production grade.

Samples 071902 and 071906 were collected randomly by geo-pick and chisel as 5kg grab samples (each composited over an approximate 1m<sup>2</sup> area) from the corner of the floor and walls of the test points as loosely fallen or non-fresh material to test the effect of various salt dissolution.

## 2. Metallurgical studies

An aggregated bulk sample (120kg) was collected from the same sample points to provide material for:

- a) Back testing of the existing flow sheet and process design.
- b) Future test work for possible improvements in process design and metallurgical recovery.

*The grab samples are indicative of the style of potash mineralisation at that underground location and not necessarily representative of the entire Thong mang Mining Area.*

The samples, sealed in plastic and secured in airtight drums, were sent to Metallurgy Pty Ltd in Perth, Australia for sample preparation, where the analysis samples were homogenised, then reduced from 5kg to 200g and sent to Intertek in Perth for analysis. Analysis was for six elements: Ca, Cl, Insol, K, Mg and Na. Methods comprised:

Water Extraction to determine soluble species in Salt (NaCl). Analysed by Gravimetric Technique. (Insol)

Water Extraction to determine soluble species in Salt (NaCl). Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. (Ca, K, Mg, Na)

Water Extraction to determine soluble species in Salt (NaCl). Analysed by Volumetric Technique. (Cl)

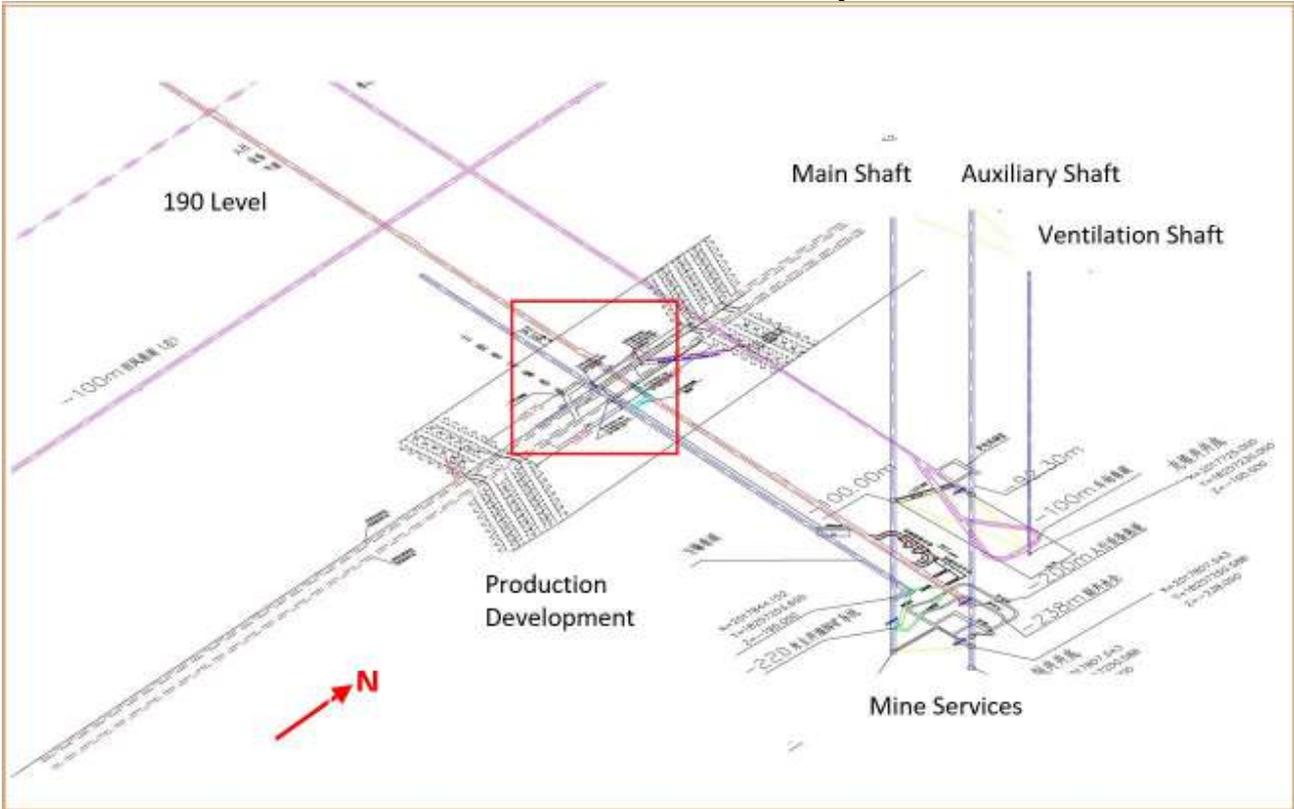
The bulk residues will be aggregated and used in addition for the metallurgical studies which are currently being undertaken.

The results for the underground sampling analysis are provided below.

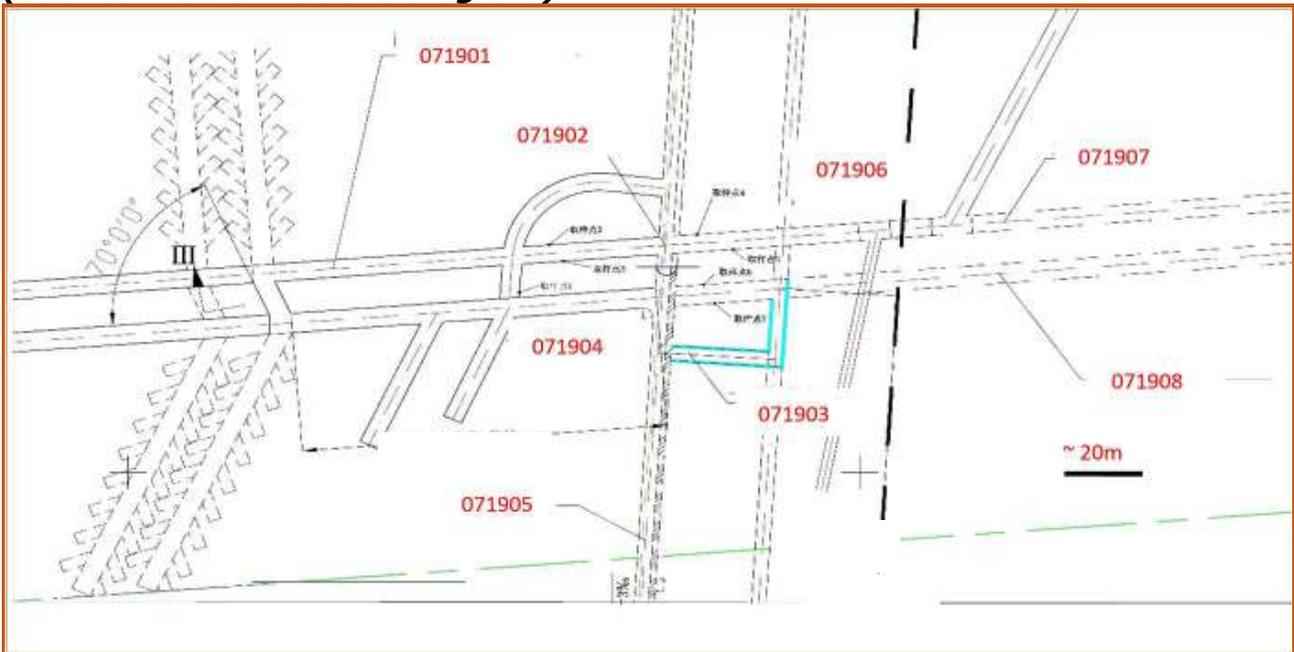
### **Sino-Lao Underground Samples 190Level (364RL)**

Sample ID	Na %	K %	Ca mg/Kg	Mg %	Cl %	Insoluble %
071901	18.8	7.72	1727	4.28	48.4	0.03
071902	32.5	2.36	1319	1.29	56.1	0.04
071903	4.5	12.34	435	7.65	40.3	0.01
071904	14.8	12.20	195	4.67	46.7	0.01
071905	12.2	10.76	986	5.71	44.2	0.09
071906	36.0	1.31	1062	0.40	57.6	<0.01
071907	17.3	9.19	913	4.71	47.7	0.09
071908	7.2	13.55	822	6.81	42.2	0.11

**Three-dimensional view of the Sino-Lao UG development**



**Plan view of the sample locations at 190 level Sino-Lao UG potash mine (see red insert in above diagram)**



## **Summary of Underground Review**

The evaluation of the Sino-Lao underground potash project was designed with two specific purposes in mind:

- a) in support of the due diligence review; and,
- b) to assist future design studies (mining and processing).

FYI views the underground mine assessment and supplementary underground sample analysis as being consistent with our previous due diligence findings in being supportive for progressing the joint venture negotiations.

## **About the Sino-Lao Potash Project**

As previously reported, the Sino-Lao project is a trial potash production facility with a reported annual capacity of 50,000t/yr (end product).

The facility is fully developed including surface processing facilities and underground mining development of both access and production headings.

FYI, in collaboration with YTH, are discussing the upscaling of the trial production to full scale commercial production of between 500,000–1,000,000t/yr (end product).

## **Further Information:**

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Managing Director

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## **About FYI Resources Limited**

FYI is an ASX-listed natural resources focused public company. The Company's principal objective is the assembling of a quality portfolio of potash projects in Southeast Asia with the view to long term development and production.

FYI is targeting shallow, thick, high grade deposits typically associated with the geology of the basin regions in Thailand and Laos.

The FYI Board and the in-country management groups believe the targeted Thai and Laos project areas have the potential to host world class potash deposits.

*The information in this report relates to the Exploration Result that has been compiled by Mr Mark Pudovskis B.Sc, who is an employee of CSA Global. He is a member of the Australian Institute of Mining and Metallurgy. 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mark Pudovskis consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.*



## Sino-Lao Project Exploration Result: JORC Code (2012 Edition) Table 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>Eight grab samples of 4-5kg were collected by hand for due diligence purposes from the wall and floor of the 190 Level (364RL) of the Thong mang underground mine. The actual sample location was approximately 1m<sup>2</sup> that was cleaned via the removal of the surface material to expose a fresh surface and then each sample was uniformly sourced by equal amount of material over the square metre using geo-pick and cold chisel.</p> <p>It is unknown how representative the sampled material is to the remainder of the underground mine or the entire Thong mang Mining Area.</p> <p>Samples for analysis were packed in double plastic bags, labelled and placed in a poly weave bag then into an airtight drum for transfer to the Vientiane airport in preparation for airfreight to Perth, Australia.</p> <p>Samples were pulverised and homogenised to produce a 200g prepared sample for analysis.</p> <p>There was no downhole geophysics assisting the sampling.</p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<p>The Exploration Results relate only to grab sampling. Drilling was not used.</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>The Exploration Results relate only to grab sampling. Drilling discussion is not applicable.</p>



Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<i>The channel and grab samples were neither logged or photographed.</i>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<i>There was no sub-sampling or QA QC procedures adopted for the grab sampling. The sampling was only for due diligence purposes and not as a material input for future Mineral Resource estimations.</i>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<p><i>Samples were prepared for at IMO (Metallurgy Pty Ltd) Welshpool, Perth by crushing and homogenising the 5kg sample to a 200g sample for analysis at Intertek Genalysis Laboratory Services, Welshpool, Perth, Australia.</i></p> <p><i>Analysis was for six elements: Ca, Cl, Insol, K, Mg and Na. Methods comprised:</i></p> <p><i>Water Extraction to determine soluble species in Salt (NaCl). Analysed by Gravimetric Technique. (Insol)</i></p> <p><i>Water Extraction to determine soluble species in Salt (NaCl). Analysed by Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry. (Ca, K, Mg, Na)</i></p> <p><i>Water Extraction to determine soluble species in Salt (NaCl). Analysed by Volumetric Technique. (Cl)</i></p> <p><i>These methods are suitable for the soluble analysis of potash samples. The laboratory applied appropriate quantities of checks, internal blanks</i></p>



Criteria	JORC Code explanation	Commentary
		<i>and standards.</i>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>Verification of grab sampling against the trial mining results was not possible as the trial mining results have not been released.</p> <p>The assay data is stored on a local FYI server.</p> <p>The assay data is raw and has not been adjusted.</p>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<p>The sample points were not survey captured. Their approximate positions, suitable for due diligence purposes, were determined from underground reference points – drives / cross on the 190 Level and marked approximately on a schematic map of the underground drives. These points were located approximately 400m west of the centre of the mine shaft. The Thong mang mine facility was surveyed with a handheld GPS and recorded in WGS84 UTM 48N coordinates. The location is 259505E 2017685N.</p> <p>There is no survey control confirming the RL of the 190 Level.</p>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p>The Exploration Result for Thong mang is based upon 8 sampling points, spaced approximately 20 – 50m apart over an approximate area of 800m<sup>2</sup> as illustrated below in figure 3.</p> <p>The spacing is insufficient for any input to a Mineral Resource estimation and is not a reflection on the overall mineralisation present on Thong mang.</p>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p>No structural information was collected or was able to be collected from the samples. The walls of the underground potash mine were not structurally mapped however given that potash is subjected readily to halokinetic deformation and diapirism, any small scale structural measurements will have no meaningful bearing on any future Mineral Resource estimation.</p>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<p>The samples were sealed in plastic and locked in an air-conditioned room at the Thong mang facility prior to transportation for analysis in Australia. Samples for analysis are securely packaged and tracked during transportation. FYI verified the safe arrival of the samples in the Perth sample preparation facility.</p>



Criteria	JORC Code explanation	Commentary
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	No audit or review of the exploration results has been completed.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>The Mining Areas – Natan and Thong mang, illustrated in figure 1 (total 76km<sup>2</sup>) are owned by Yuntianhua. The ownership structure is:</p> <ul style="list-style-type: none"> <li>72% - Sino Lao Mining Development and Investment Co Ltd (Sino Lao) - site owners and operators.</li> <li>Of the remaining 28% equity, Yunnan Geological Mineral Group (YGMG) own 8%, the remaining 20% is owned by six other parties. YGMG was awarded equity based on completing the 2001-2003 technical drill program.</li> </ul> <p>Evidence of the licence of title is the document "An Exploitation and Production Agreement for Potash Mineral in Vientiane Basin, LAO People's Democratic Republic between The Government of LAO People's Democratic Republic and Yunnan Sino Lao Mining Development &amp; Investment Co., LTD, People's Republic China (Sino Lao), dated November 2004"</p> <p>The Agreement describes a three phase program - Feasibility Study Period (36 months), Construction Period (36 months), Operating Period (24 years) which can be prolonged two times and per time is equal to 10 years under the approval of the Government.</p> <p>The Agreement has not been independently verified.</p> <p>There are no known impediments or issues with third parties such as joint ventures, royalties, native title, national parks or environment.</p> <p>FYI have signed a memorandum of understating with YTH to undertake due diligence work on the Sino Lao project.</p>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>The exploration history is summarised as:</p> <ul style="list-style-type: none"> <li>2001- 2003: Yuntianhua exploration</li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Five cored boreholes on Thong mang (logs received for only three boreholes, total 1222.45m)</li> <li>○ Seven cored boreholes on Natan. (logs received for only six boreholes, total 3235.45m)</li> <li>○ Detailed geochemical analysis of all evaporite samples and downhole deviation measurements of each borehole. There was no seismic completed.</li> <li>○ Completed a foreign estimate however it does not meet JORC standards and is therefore not suitable for public release.</li> <li>• 2011 – 2013: Yuntianhua mine and Pilot plant <ul style="list-style-type: none"> <li>○ 2 x shafts – Primary ventilation and haulage of approximately 2m diameter, secondary auxiliary (less than 2m diameter)</li> <li>○ Two x drives, one at 143m and a second at 190m. Levels were selected on grade and geology.</li> <li>○ Two x drives are 3m in height.</li> <li>○ Trial mining was completed over a 2.5-year period, 2011 - 2013 with approximately 35,000t of K<sub>2</sub>O product produced.</li> <li>○ Shaft capacity is 120,000t/annum, plant capacity 60,000t/annum.</li> </ul> </li> <li>• 2016 – Present: FYI <ul style="list-style-type: none"> <li>○ Eight underground grab samples</li> <li>○ Two x PSI Drilling core boreholes (adjacent to ZK1) – assays not available at present.</li> <li>○ Digital capture of historic borehole data into an Access Database</li> <li>○ Generation of ArcGIS borehole location plans</li> </ul> <p>There is anecdotal evidence of earlier (pre- 2000) drilling by Vietnamese companies however no supporting evidence is available.</p> </li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>The Project is a potash (carnallite-dominant) deposit located in the Sakon Nakhon Basin. As described by Warren, J. (2006). <i>Evaporites: sediments, resources and hydrocarbons</i>. Berlin, Germany:</p>



Criteria	JORC Code explanation	Commentary
		<p><i>Springer. "Potash in the halite-dominated Cretaceous Maha Sarakham Formation is preserved within two basins, the northern Sakon Nakhon Basin which extends in to Laos and the southern Khorat Basin".</i></p> <p><i>As further asserted by Warren, J. (2006). Evaporites: sediments, resources and hydrocarbons. Berlin, Germany: Springer. "The only well studied and significant potash-rich zones are in the upper section of the Lower Salt Member along the western margin of the Khorat Plateau. The potash interval is dominated by carnallite (up to 20-30m thick), which forms a widespread stratiform unit along the western margins of both the Khorat and Sakon Nakhon basins. It is locally capped by lesser sylvinite (&lt;6m) and covered by a bed of colour banded red and grey halite (up to 6m thick). The potash stratigraphy is in turn overlain by the Lower Clastic Member."</i></p> <p><i>The stratigraphy of the Lower Salt Member is summarised after Warren, J. (2006):</i></p> <ul style="list-style-type: none"> <li>• <i>Upper-most colour banded Halite (0-6m)</i></li> <li>• <i>Sylvinite zone (0-6m) - Not always present and the contact is transitional to the underlying carnallite</i></li> <li>• <i>Carnallite zone (0 up to 15-30m)</i></li> <li>• <i>Lower zone of massive to bedded halite with trace carnallite (50-300m)</i></li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p><i>The Exploration Results are based on eight underground grab samples from an existing trial potash mine. Details relating to drill collars, dips, azimuth, hole length are not relevant for such sampling techniques.</i></p>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> </ul>	<p><i>None of the data collected was aggregated.</i></p> <p><i>The reported grades are raw.</i></p>



Criteria	JORC Code explanation	Commentary																																																																					
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	A summary of the sample's analytical results is included below in 'Balanced Reporting'.																																																																					
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<p>Thong mang geometry is interpreted as relatively flat lying based on the distribution of historical assay reports. There is no seismic to support this interpretation.</p> <p>The eight sample points were collected over an area of approximately 800m<sup>2</sup>. Given the Thong mang Mining Area is approximately 38km<sup>2</sup>, the spatial distribution of the sample data and any thickness relationship is not material for the nature of the deposit. No conclusions should be drawn from the distribution of the potash sample grades.</p>																																																																					
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	A project location plan with underground working schematic illustrating approximate sampling locations is included below in figures 1, 2 and 3, and is included within the body of ASX release.																																																																					
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p>The Exploration Results are reported as a grade for each sample. The summary table is included below.</p> <table border="1"> <thead> <tr> <th rowspan="2">Sample ID</th> <th>Na</th> <th>K</th> <th>Ca</th> <th>Mg</th> <th>Cl</th> <th>Insoluble</th> </tr> <tr> <th>%</th> <th>%</th> <th>mg/Kg</th> <th>%</th> <th>%</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>071901</td> <td>18.8</td> <td>7.72</td> <td>1727</td> <td>4.28</td> <td>48.4</td> <td>0.03</td> </tr> <tr> <td>071902</td> <td>32.5</td> <td>2.36</td> <td>1319</td> <td>1.29</td> <td>56.1</td> <td>0.04</td> </tr> <tr> <td>071903</td> <td>4.5</td> <td>12.34</td> <td>435</td> <td>7.65</td> <td>40.3</td> <td>0.01</td> </tr> <tr> <td>071904</td> <td>14.8</td> <td>12.20</td> <td>195</td> <td>4.67</td> <td>46.7</td> <td>0.01</td> </tr> <tr> <td>071905</td> <td>12.2</td> <td>10.76</td> <td>986</td> <td>5.71</td> <td>44.2</td> <td>0.09</td> </tr> <tr> <td>071906</td> <td>36.0</td> <td>1.31</td> <td>1062</td> <td>0.40</td> <td>57.6</td> <td>&lt;0.01</td> </tr> <tr> <td>071907</td> <td>17.3</td> <td>9.19</td> <td>913</td> <td>4.71</td> <td>47.7</td> <td>0.09</td> </tr> <tr> <td>071908</td> <td>7.2</td> <td>13.55</td> <td>822</td> <td>6.81</td> <td>42.2</td> <td>0.11</td> </tr> </tbody> </table>	Sample ID	Na	K	Ca	Mg	Cl	Insoluble	%	%	mg/Kg	%	%	%	071901	18.8	7.72	1727	4.28	48.4	0.03	071902	32.5	2.36	1319	1.29	56.1	0.04	071903	4.5	12.34	435	7.65	40.3	0.01	071904	14.8	12.20	195	4.67	46.7	0.01	071905	12.2	10.76	986	5.71	44.2	0.09	071906	36.0	1.31	1062	0.40	57.6	<0.01	071907	17.3	9.19	913	4.71	47.7	0.09	071908	7.2	13.55	822	6.81	42.2	0.11
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Criteria	JORC Code explanation	Commentary
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p>There has been no additional meaningful exploration completed with tangible results available by FYI Resources which adds support to the Exploration Result.</p>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>Significant in-ground work comprising 2D (and potentially 3D) seismic data, drilling and downhole wireline logging is required to establish any future JORC compliant Mineral Resources</p> <p>Prior to undertaking additional drilling, it is recommended to complete a 2D seismic program in order to evaluate the sub-surface geology, identify areas of structural discontinuity (specifically salt diapirs and their margins which are prone to host sylvinites after carnallite) to enable appropriate exploration borehole planning.</p> <p>Approximately 8 – 10 boreholes, spaced 2km apart over each Mining Area. On the assumption of an average drill depth of 400m, a total meterage of 3200m – 4000m on each Mining Area will be required. This volume of drilling will be sufficient to define a Mineral Resources assuming all related JORC Table 1 guidelines are adequately adhered to.</p> <p>Wireline logging is integral to any potash exploration program whether to aid geological logging/interpretation or integrated with seismic data to enhance robust basinal interpretation. VSP (Velocity) survey and logs (sonic and density) are required to generate a synthetic seismogram with density and gamma logs providing a means of assessing mineralogy.</p> <p>Each drill hole is recommended to be logged from the end of hole depth to surface casing with geophysical wireline tools. The data collected will provide detailed downhole information that can be used to cross-reference lithology, mineralogy, and geochemical assay data. Gamma and density should be considered mandatory. Neutron is useful for assisting identifying the hygroscopic evaporites.</p> <p>To progress to a JORC Mineral Resource classification the following guideline is suggested:</p>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"><li>• <i>Inferred Resource: Area within 2 km of a drill hole with geochemical analyses with 2D seismics but without 3D seismic coverage.</i></li><li>• <i>Indicated Resource: Area within 2 km of a drill hole with geochemical analyses with 3D seismic coverage.</i></li><li>• <i>Measured Resource: Area within 2 km of a drill hole with geochemical analyses displaying strong spatial analysis and with 3D seismic coverage.</i></li></ul>

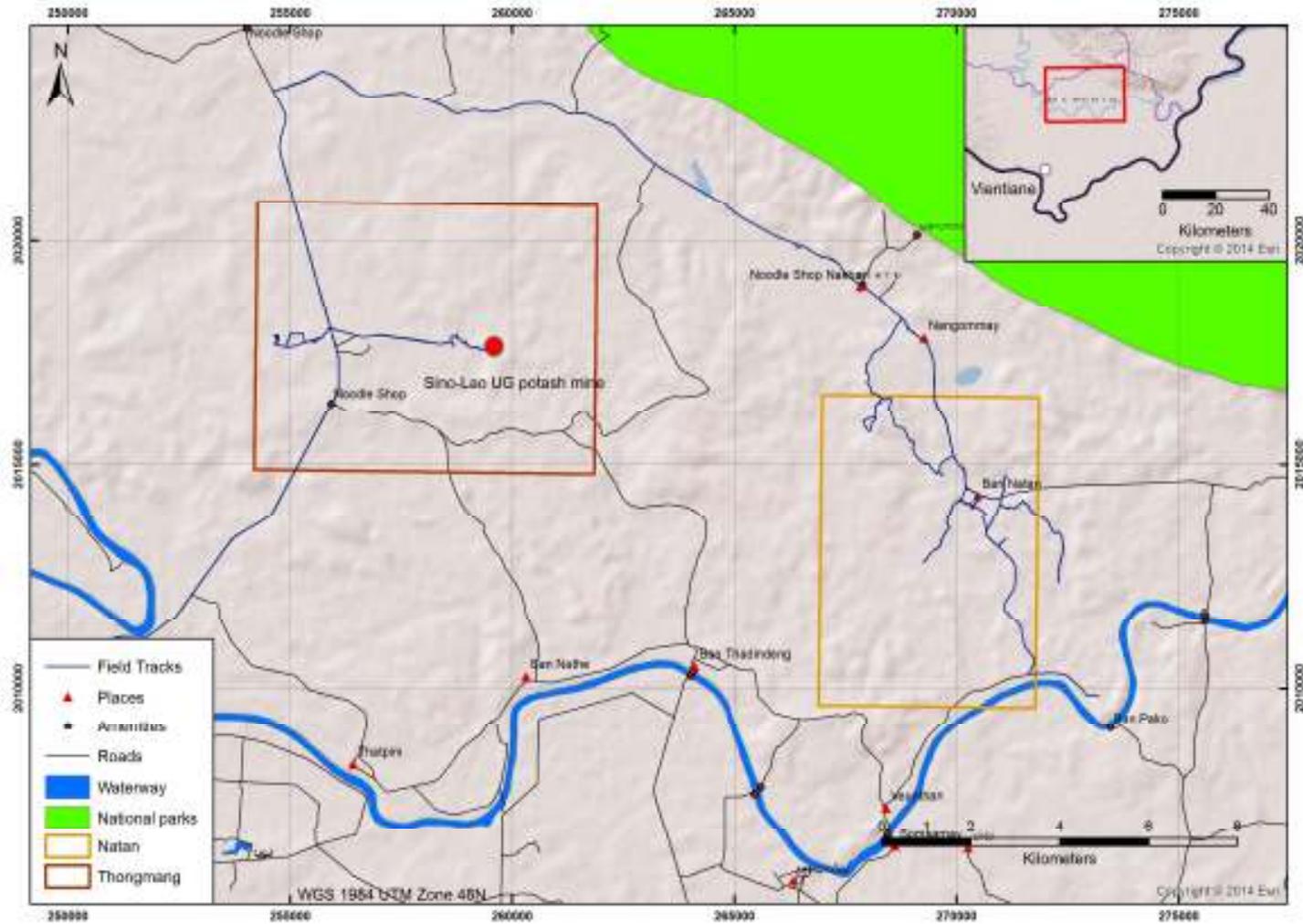


Figure 1: Project location plan with Sino-Lao UG potash mine

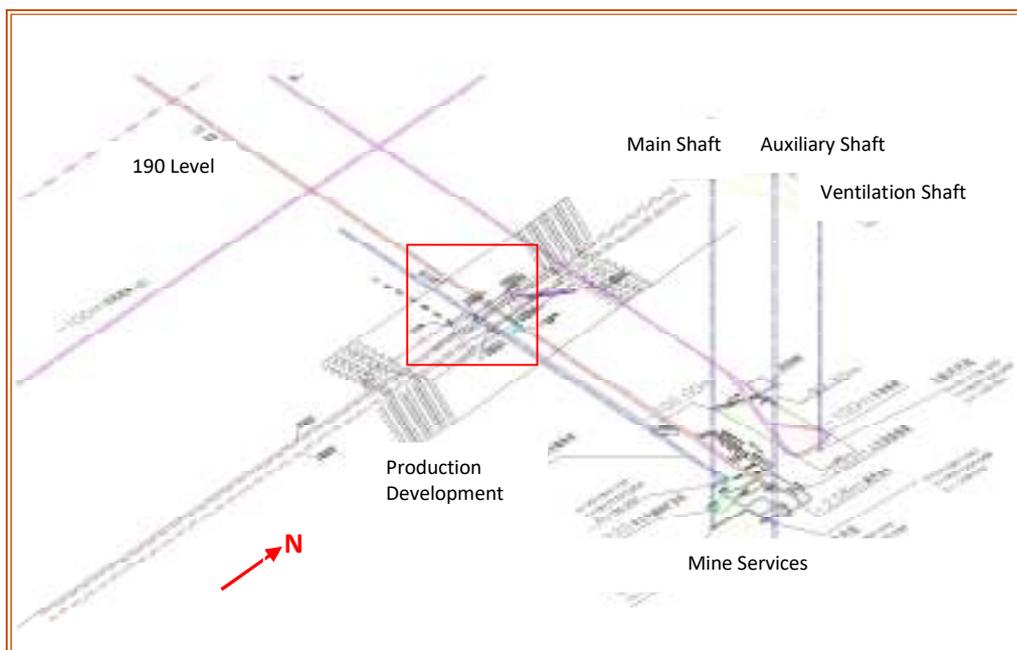


Figure 2: Three dimensional view of the Sino-Lao UG development

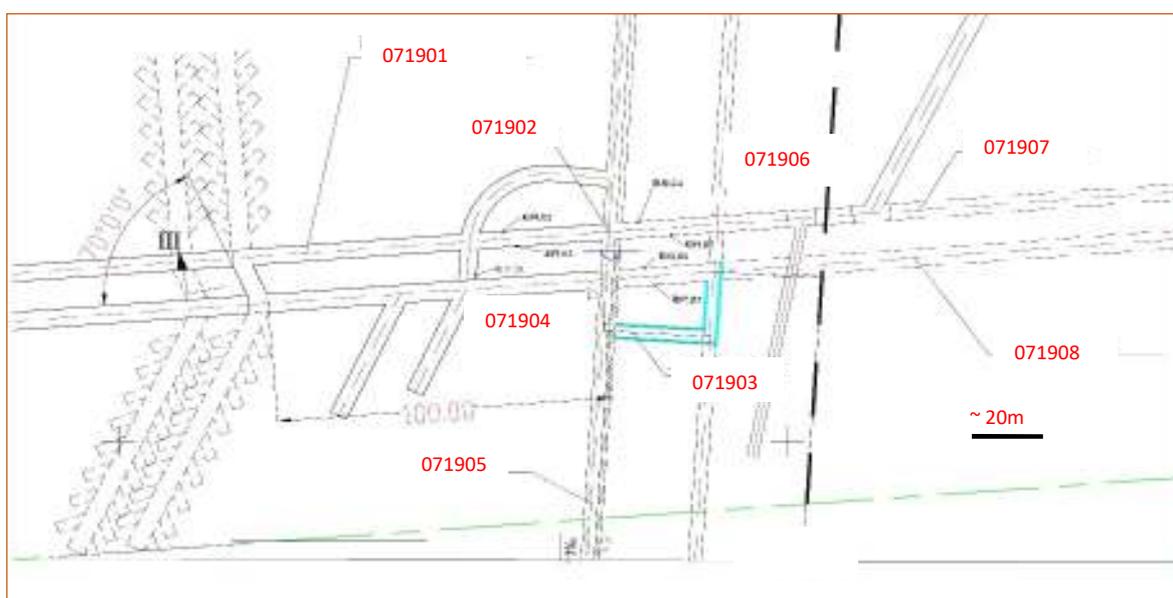


Figure 3: Plan view of the sample locations at 190 level Sino-Lao UG potash mine