



Growing a Potash Business  
Annual General Meeting Presentation  
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**ASX:FYI**

# Potash Project Announcement

- Thailand Potash Strategy announced (13 /11/ 2013)
- Targeting high grade, large tonnage deposits
- Commencing on Khorat Plateau, NE Thailand
- Emerging potash province
- Outlined by DPIM (Mines Dept) by drill program in 1970s
- Declared region of national importance
- Very little exploration undertaken since
- FYI established a well defined potash exploration and development strategy
- Assembled an expert in-country potash team
  - Asia Pacific Potash Resources (APPR)
- Well qualified and credentialed group
- APPR to manage in-country exploration and administration
- Progress strategy under FYI direction



# FYI Strategy

- Primary focus is the discovery of high grade, large tonnage potash deposits that can be profitably developed
- Establish a technical and corporate presence
- Leverage off the assembled in-country potash exploration and development team
- Advance the SPL applications and associated administrative documentation
- Once granted, proceed with accelerated exploration activities
- Included in budget for:
  - Data base review
  - Initial geophysics program
  - Broad drilling campaign
- Progress strategy to resource status
- Define markets, partners, processing options
- Continue to define further in country potash opportunities



# Project Attributes

- World class geology / structures for potash
- Under explored province
- Demonstrable technical production advantages over European and North American production
- Technically supported strategy – extensive data base
- partnering with first rate in-country management team
- Nearby proximity to current potash production
- Current global supply deficit / positive long term forecast
- Thailand is a net importer of potash
- Excellent national and provincial infrastructure and services
- Good time zone to Perth (-1hour)
- Reasonable travelling distance
  - ~ 7 hours / direct flight



# Why Potash

- Commodity of primary importance
- Cannot be man made or substituted
- Has wide application – consumed in 150 countries
- Important in agriculture for improving water retention, yield, nutrient value, taste, colour, texture and disease resistance of food crops
- Long term market pricing fundamentals are sound
- Supply is highly concentrated
- Global production is ~ 50MT pa / market is in deficit
- Demand is growing at ~ 3-4% pa
  - Forecast demand is 63MT in 2015 / 75Mt in 2020
- Pricing is relatively insignificant to producer
  - Additional \$100/t cost equates to ~\$0.03 / bushel of corn\*
  - Furthermore, \$1.00 spent on potash yields an additional \$3.00 in crop returns \*
- Transformation in the potash pricing, markets and supply
- Market dynamics looks robust despite recent cartel issues



Potash Sample

## Some Definitions

**Potash:** General term for Potassium compounds and potassium-bearing minerals

**Sylvinite:** Mineral mix of 30% potassium chloride (KCl) and 65% sodium chloride (NaCl)

**Carnalite:** Mineral compound of hydrated potassium magnesium chloride ( $\text{KMgCl}_3 \cdot 6\text{H}_2\text{O}$ )

# Why Thailand

- Asia, particularly Thailand, is chronically underinvested in potash
- Strategic geography advantage over European & North American production
- Thailand is looking to change the market dynamic
- Thailand is a growing mining jurisdiction
- Changes are being reflected in pro mining legislation
- Thailand is emerging as a significant resources jurisdiction – particularly in potash
- Presence of leading service providers with international standards
- Thailand has a low comparable sovereign risk
- High corporate and commercial “visibility” in Thailand
- Advanced national mining law
- Competitive labour, cost regime in relation to Australia



# Investment Highlights

- Potash has excellent long term fundamentals
- Huge sector interest – including majors
- Participants jockeying for position
- Current and mid term forecast is a supply deficit
- Thailand is an emerging world class potash province
- Natural and economic advantages over current production
  - High grade
  - Large tonnage
  - shallow
  - Cost effective
- Asia accounts for ~45% of global potash consumption
- Thailand is a net importer of potash
- Thailand is a hub to Asia and a centre for major trade routes



# Steps

## completed

- Strategy implementation agreement signed between FYI & APPR
- Structuring and registering of locally controlled operating companies
- Thai data base and drilling review
- Assembling of local technical team

## underway

- Applying for project SPL's (tenements)
- Planning initial works program
- Establishing in-country base
- Signing third party service provider agreements

## Scheduled

- SPL (tenements) granting / access to properties
- Preliminary / follow-up geophysical survey
- Reconnaissance drilling program
- Detailed core logging and analysis





# Summary

<b>Poised for success</b>	Excellent strategy; Exciting short and long term potential; Good technical and corporate structure; Good timing; Market appeal; Broad interest.
<b>World class potash province</b>	Emerging potash province; Great geology - classic deposition model; High grade; Large tonnage; Shallow; Simple and cost effective development options.
<b>Model strategy</b>	Early entrant into province; Good address & well located SPL's; Cost effective strategy; Exploration upside; Development focus.
<b>Significant expertise</b>	World class in-country exploration and development team; Experienced corporate group; access to capital; Enviably track record; focused and motivated.
<b>Increasing demand</b>	Food security issues; Forecast population increases; Diminishing arable land; Produce quality and taste; Underpinned market.
<b>Proximal to markets</b>	Thailand is an Asian hub; Proximal to large trading routes; Ideal export centre; Door step to 45% potash market; All net importers.

# Thailand – Quick Facts

- Thailand is the world's 51<sup>st</sup> largest country by total area ~513,000 km<sup>2</sup> (198,000 sq mi)
- Is the 20<sup>th</sup> most populous country (around 64 million people)
- The country is a constitutional monarchy
- The primary religion is Buddhism, practiced by around 95% of the population
- Thailand is an emerging economy and considered as a newly industrialised country
- It functions as an anchor economy for the neighbouring developing economies of Laos, Burma, and Cambodia
- Thailand has a GDP worth >US\$600 billion – making it the 2nd largest economy in Southeast Asia, after Indonesia
- Thailand is the world's no.1 exporter of rice - more than 6.5 million tons annually
- Thailand has the highest percentage of arable land, 27.25%, of any nation in the Greater Mekong Subregion
- Forty-nine percent of Thailand's labour force is employed in agriculture



Flag of Thailand



Emblem of Thailand