

## **QUARTERLY REPORT FOR THE PERIOD ENDING 31<sup>st</sup> MARCH 2014**

### **HIGHLIGHTS**

- **Application made for a second potash project in Thailand**
- **Second project targets further high grade, large tonnage, shallow potash deposits in the Khorat Basin**
- **All tenement applications are progressing on schedule**

### **REVIEW OF OPERATIONS MARCH QUARTER 2014**

Following FYI Resources announcement on 29<sup>th</sup> November 2013 signalling the Company's intention to pursue a potash strategy in Thailand, the Company has made considerable progress in establishing a business model and operating footprint within the country. Furthermore, based on the strategy's initial potential and successful progress to date, FYI has applied for further special prospecting licences (SPL) over previously identified potash occurrences to enhance the current development plan.

The Company's initial SPL applications were for the WMM project area, which is located in the Sakon Nakhon Basin in the northeast of Thailand some 800km from the country's capital, Bangkok. The WMM project application process is well advanced and progressing smoothly.

A new, second round of SPL applications, to be called the ESM project, were recently lodged to cover a prospective area of the Khorat Basin which is located approximately 250km southwest of the WMM project.

The new ESM project covers approximately 96 square kilometres in Thailand's central northeast where limited historical drilling in the 1970's has shown the existence of a shallow evaporite basin containing potash bearing horizons. Very little regional follow up work has been undertaken in the area since, due to the lack of commercial importance of potash and limited available access to the area at the time.

Recent changes to Thailand's mining regulations with subsequent relaxing of access regulations coupled with increasing commodity prices, has improved the in-country dynamics of the potash industry greatly.

FYI believes that both the WMM and ESM project areas have the potential to be world class and the Company is extremely pleased to be involved in the development of these projects.

## Strategy Progress

To date, many operational and administrative objectives have been achieved since pursuing the potash strategy. FYI's progress has been encouraging with milestones achieved to date that include:

- Special Prospecting Licence (SPL) applications submitted and progressing well for the WMM project;
- Further SPL applications recently submitted for the ESM project area;
- Establishment of a local office and technical, legal and administrative team;
- Finalised the requisite local company and industrial relations agreements and working permits;
- Structured and registered various local operating companies to facilitate the in-country operations; and
- Exploration, administration and development budgets.

## Capital Raising

Subsequent to the end of the quarter, FYI has undertaken an equity raising for working capital purposes to continue its Thailand potash strategy. The raising of \$250,000 is via the placement of 5,000,000 FYI shares at a price of 5 cents per share to sophisticated investor clients of Peloton Capital.

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No field work was undertaken on the project during the quarter.

## Corporate

Since commencing the potash initiatives in Thailand and recognising its potential to host world class deposits, FYI has ceased its project generation activities and will focus on the exploration and development of its potash projects.

## About FYI

FYI is an ASX listed natural resources focused public company. The principle objective of FYI is to build significant shareholder value through the identification and development of selected resource projects.

## Further Information:

**Adrian Jessup**  
Director  
Tel: (08) 9361 3100

**Roland Hill**  
Chief Executive Officer  
Tel: 0414666178

## Interest in Mineral Tenements at 31 March 2013

Tenement	Location	No of Shares	Change in Interest During Quarter
E52/2095	Meekatharra	100/100	-
E52/2885	Meekatharra	100/100	-
E52/2885	Meekatharra	100/100	-

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**FYI Resources Limited**

ABN

85 061 289 218

Quarter ended ("current quarter")

31 March 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation of new projects	(61)	(431)
(b) development	-	-
(c) production	-	-
(d) administration	(10)	(105)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Net R&D rebate + GST refund)	9	37
<b>Net Operating Cash Flows</b>	<b>(62)</b>	<b>(497)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	40
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>40</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(62)</b>	<b>(457)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(62)	(457)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	265
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs of share issue)	-	(12)
	<b>Net financing cash flows</b>	-	<b>253</b>
	<b>Net increase (decrease) in cash held</b>	<b>(62)</b>	<b>(204)</b>
1.20	Cash at beginning of quarter/year to date	78	220
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>16</b>	<b>16</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements (overdraft facility)	400	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation of new projects	80
4.2 Development	-
4.3 Production	-
4.4 Administration	90
<b>Total</b>	<b>170</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	16	78
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>16</b>	<b>78</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)(cents)	Amount paid up per security (see note 3) (cents)
7.1				
<b>Preference +securities</b>				
7.2				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	58,311,118	58,311,118		
<b>+Ordinary securities</b>				
7.4				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5				
<b>+Convertible debt securities</b>				
7.6				
Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7			<i>Exercise price</i>	<i>Expiry date</i>
<b>Options</b> <i>(description and conversion factor)</i>				
7.8				
Issued during quarter				
7.9				
Exercised during quarter				
7.10	4,000,000	-	15.2 cents	1 January 2014
Expired during quarter				
7.11				
<b>Debentures</b> <i>(totals only)</i>				
7.12				
<b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:        *Phillip MacLeod*  
Company Secretary

Date: 30 April 2014

Print name:        Phillip MacLeod

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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