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ASX Release (ASX code: "FYI")

FYI's Thailand Potash Strategy advances with signing of Management Agreement

FYI Resources Ltd ("Company" or "FYI") is pleased to announce that the Company has signed an ongoing Management Agreement with the Thailand based management group Asia Pacific Potash Resources Ltd ("APPR"). The Management Agreement facilitates the long term development of FYI's Thailand potash strategy and recognises APPR's contribution to the project to date.

Management Agreement Terms

In November 2013 FYI announced an initial agreement with APPR for the establishment of the Company's Potash strategy in Thailand. That agreement has now been replaced by the current Management Agreement.



The Management Agreement deals with the following:

- 1) it creates a defined and aligned guidelines and set of principles for FYI and the in-country management team;
- 2) provides APPR with suitable long term growth oriented and target based incentives and key performance indicators (KPI's) as set out below;
- 3) remunerates APPR for the introduction of key assets as set out below;
- 4) acknowledges their contribution to the strategy to date; and
- 5) share issues will be performance related and subject to shareholder approval.

Performance Shares

On successfully achieving certain KPIs and with the approval of FYI shareholders, FYI will issue the APPR the following:

1. following the granting of the West Mekong Special Prospecting Licences (tenements) - 3,000,000 shares;
2. on completion of first round exploration (and FYI electing to proceed with the strategy) - 5,000,000 shares;
3. on completion of a Bankable Feasibility Study for the West Mekong project - 7,000,000 shares;

The West Mekong project is current and awaiting grant of the tenements.

The Management Agreement also covers the much longer term East Siam Minerals (ESM) project. That is subject to a number of Government approvals which are not anticipated in the short to medium term. The agreed consideration terms for the ESM project are the following:

1. following the granting of the ESM project SPL's – 4,000,000 shares;
2. 18 months from the grant of the ESM SPL's (and FYI electing to retain the project) - 3,000,000 shares; and
3. on completion of a Bankable Feasibility Study for the ESM project – 6,000,000 shares.

The ESM project is part of the long-term strategy of FYI and is not anticipated to commence in the short to medium term.

Thai Potash Strategy

FYI made the commitment to pursue the Thai potash strategy based on an assessment of current global food trends, increasing food security concerns and the supply and demand metrics of the critical inputs of the industry. That assessment suggested that the Thai potash strategy offered significant upside for FYI by participating in the exploration and development of known high grade, large tonnage potash deposits in a region already recognised for its significant potash occurrences.

Thailand is currently a net importer of potash and other fertiliser products. Its proximity to other large Southeast Asian, Chinese and Indian markets offers upside to a new domestic regional potash supplier.

Further Information:

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