

## QUARTERLY REPORT FOR THE PERIOD ENDING 30<sup>th</sup> September 2014

### HIGHLIGHTS

- FYI progresses its Thailand potash strategy
- Successful interim financing completed
- Broader potash strategies investigated

### REVIEW OF OPERATIONS SEPTEMBER QUARTER 2014

#### Thailand Potash

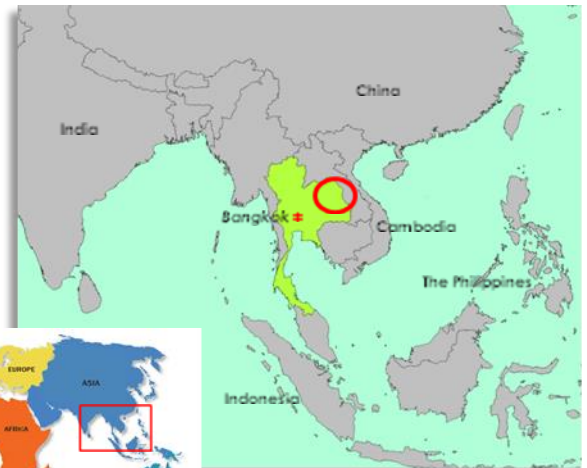
FYI Resources (ASX:FYI) is progressing the Thailand potash strategy by advancing its Special Prospecting Licence (SPL) applications through the Thai Department of Mineral Resources (DMR).

The Company initially submitted 6 SPL applications for the West Mekong Minerals project (WMM) to commence its potash exploration and development strategy (ASX Release – 28<sup>th</sup> January 2014).

The SPL tenement granting process has progressed well, with the applications clearing the Department of Mineral Resources and now progressing through the Ministerial approval process.

Actual granting dates are indeterminable at this point, due to government cabinet changes, however it is anticipated approvals will be granted prior to Christmas.

FYI's potash strategy subsequently broadened with the application for a further 6 SPL's in the East Siam Minerals project (ESM) and the investigation of further in-country and regional opportunities as FYI becomes accustomed to operating in the region.



Both Thai SPL application areas were selected on the basis of geological merit and other defined operating and logistical criteria.

The in-country management team is currently refining the proposed maiden exploration program on the WMM tenement package in anticipation of the final granting of the SPL's.

## **Sovereign Risk**

The actions by the Thai military in assuming control of the government, which initially were a cause for concern, have actually turned out to be very beneficial. The parliamentary blockages of critical legislation have subsided as a result of a streamlined and “pro-progress” military governed reform process at various bureaucratic levels.

Whilst the assuming of temporary control by the military may have initially disrupted FYI’s SPL application process, the in-country team believe introduced legislative changes will ultimately expedite the SPL granting.

## **Strategy Progress**

During the September Quarter, a number of key events were achieved, being:

- The WMM and the ESM SPL applications have received initial DMR approvals
- Project pipeline developed in conjunction with the in-country management team
- Exploration and development strategy refined by the local technical and administration team
- Further field visits to WMM by the in-country technical team

## **Capital Raising**

FYI successfully completed an equity raising of \$245,000 via the issuance of 4,900,000 shares at \$0.05 cents per share. The proceeds of this capital will be used towards the ongoing development of the Thai potash strategy (ASX announcement – 30<sup>th</sup> September 2014).

## **Capital Preservation**

The management of FYI are committed to maximising shareholder value and are very conscious of minimising expenditure – especially in these difficult market conditions. As such, the Board and management have taken commensurate steps in sacrificing a proportion of their remuneration and fees to support FYI and its Thai potash strategy.

## **Yarlarweelor**

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

## **About FYI**

FYI is an ASX listed natural resources focused public company. The principle assets are the portfolio of quality potash projects being assembled in Thailand and the Yarlarweelor uranium project near Meekatharra in Western Australia.

## **About Potash**

Potash is the common term used for a group of potassium minerals used principally as agricultural fertilizers. The Company is targeting thick, high grade deposits located in ancient sedimentary basins where the potash originally formed by the evaporation of sea water. The FYI Board and Thai management group believe the WMM and ESM project areas have the potential to host world class potash deposits.

## **Further Information:**

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

**Roland Hill**  
Managing Director  
Tel: 0414666178

**Interest in Mineral Tenements at 30 September 2014**

<b>Tenement</b>	<b>Location</b>	<b>Interest at 1 July 2014</b>	<b>Interest at 30 September 2014</b>
<u>Australia</u>			
E52/2095	Meekatharra	100%	100%
E52/2885	Meekatharra	100%	-
E52/2886	Meekatharra	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")

30 September 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(70)	(70)
(b) development	-	-
(c) production	-	-
(d) administration	(51)	(51)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Net R&D rebate + GST refund)	7	7
<b>Net Operating Cash Flows</b>	<b>(113)</b>	<b>(113)</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	-	-
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>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(113)</b>	<b>(113)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(113)	(113)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	245	245
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)	(31)	(31)
	<b>Net financing cash flows</b>	<b>214</b>	<b>214</b>
	<b>Net increase (decrease) in cash held</b>	<b>101</b>	<b>101</b>
1.20	Cash at beginning of quarter/year to date	128	128
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>229</b>	<b>229</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	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

Part payment of accrued directors' fees.

**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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	60
<b>Total</b>	<b>160</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	229	128
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>229</b>	<b>128</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	E52/2885 E52/2886	Direct	100%	0%
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	69,751,118	69,751,118		
<b>+Ordinary securities</b>				
7.4	6,440,000	6,440,000	5 cents	5 cents
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>				
(description and conversion factor)				
7.8				
Issued during quarter				
7.9				
Exercised during quarter				
7.10				
Expired during quarter				
7.11				
<b>Debentures (totals only)</b>				
7.12				
<b>Unsecured notes (totals only)</b>				

+ 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: 31 October 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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