

QUARTERLY REPORT FOR THE PERIOD ENDING 31 December 2014

HIGHLIGHTS

- FYI Thailand potash applications significantly advanced
- FYI signs MoU for prospective potash project in Laos
- Additional potash opportunities pursued in Southeast Asia

REVIEW OF OPERATIONS

DECEMBER QUARTER 2014

Thailand Potash

FYI Resources Limited (ASX: FYI) has made significant progress with the advancement of its Special Prospecting Licence (SPL) applications through the Department of Mineral Resources (DMR), in Thailand.

The Company's 6 SPL applications for the West Mekong Minerals potash project (WMM) have progressed to the last stage of the permitting process. The WMM applications will be among the first to be processed under a new DMR application process and currently await the next Minerals Committee meeting for their final sign off after which the SPLs will be granted. The Committee is convened especially for the deliberation of approvals on an ad hoc basis (no set Committee meeting time).

FYI's application for a further 6 SPL's for the East Siam Minerals project (ESM) have been filed and no further work is intended to be instigated by FYI on the tenements at this stage.

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

Broader Potash Opportunities

The Thai in-country management group (TMG) are ideally connected and positioned to identify further regional potash opportunities. As result of a number of introductions to projects and reviews on selected assets, FYI is examining further potash opportunities in Southeast Asia within the context of the Company's original strategy criteria.

The Company has entered into a Memorandum of Understanding (MoU) over Prospecting Licences covering high grade potash targets in Laos. The MoU is with GM Consulting – a wholly owned subsidiary of the Greater Mekong Development Group, and, the Lao Government. Named the Vientiane Basin Potash JV, the project area of 108km² was specifically targeted by FYI following an extensive review and geological site visit. The project area, east of the Laos capital, Vientiane and alongside the Mekong River, is adjacent to two producing potash projects in a proven major potash basin and close to historic exploratory drilling in Thailand that recorded high grade Sylvite intercepts.



About Potash

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

Potash Outlook

The potash outlook is underpinned by a number of global changes that will continue to contribute to an increase in demand for the commodity and other fertilizer products. The rapidly increasing world population, the increase in disposable incomes for hundreds of millions of people in emerging market regions with associated improving diets, the natural decline in arable land per capita and the increased interest in alternative (environmentally friendly) fuels, also known as bio-fuels, all combine and result in a positive outlook for potash.

To help meet the increasing demand for agricultural produce, governments, private industry and grower communities are actively using and promoting fertilizers, such as nitrogen, phosphate and potash, to improve crop yields.

According to the International Fertiliser Industry Association, world fertilizer demand is seen as rebounding firmly over the next few years after being impacted by GFC downturns. Potash will most likely be the biggest beneficiary and experience the sharpest rise annually with sustained growth foreseeable over the next 5 years. Within specific regions, demand will be varied with North American consumption down slightly as a result of lower crop prices whilst demand will rise sharply in Oceania, Asia, Latin America and Africa.

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 and/or delaying payment of a proportion of their remuneration and fees to support FYI and its Asian potash strategy.

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

About FYI

FYI is an ASX listed natural resources focused public company. The principal interest is the assembling of a quality portfolio of potash projects in Asia with the view to long term development and production from the assets.

Further Information:

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 Managing Director
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Interest in Mineral Tenements at 31 December 2014

Tenement	Location	No of Shares	Change in Interest During Quarter
E52/2095	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 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation of new projects	(40)	(110)
(b) development	-	-
(c) production	-	-
(d) administration	(47)	(98)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (Net R&D rebate + GST refund)	14	21
Net Operating Cash Flows	(72)	(185)
Cash flows related to investing activities		
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)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(72)	(185)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(72)	(185)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)	(1)	(32)
	Net financing cash flows	(1)	213
	Net increase (decrease) in cash held	(73)	28
1.20	Cash at beginning of quarter/year to date	229	128
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	156	156

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

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

With shareholder approval, 1,540,000 shares were issued to Capstone Capital Pty Ltd in lieu of fees owing of \$77,000. Capstone Capital also agreed to forgo a further \$77,000 of fees owing following the approval of the share issue.

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

+ 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	40
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	70

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	156	229
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	156	229

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				
7.2				
7.3	69,751,118	69,751,118		
7.4				
7.5				
7.6				
7.7	2,250,000	-	<i>Exercise price</i> 8 cents	<i>Expiry date</i> 22 September 2016
7.8	2,250,000	-	8 cents	22 September 2016
7.9				
7.10				
7.11				
7.12				

+ See chapter 19 for defined terms.

