

# **FYI RESOURCES LIMITED**

ACN 061 289 218

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held on  
27 November 2015 at  
10:00am (Western Standard Time) at**

**HLB Mann Judd Boardroom  
Level 4, 130 Stirling Street  
Perth, Western Australia**

***This is an important document. Please read it carefully.***

***If you are unable to attend the Meeting, please complete the form of proxy enclosed  
and return it in accordance with the instructions set out on that form.***

## TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of FYI Resources Limited will be held at:

HLB Mann Judd Boardroom	Commencing
Level 4, 130 Stirling Street	at 10:00am (Western Standard Time)
Perth WA 6000	on Friday, 27 November 2015.

### How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

### Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 25 November 2015.

### Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:00am (Western Standard Time).

### Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- Hand to the Company's office at 53 Canning Highway, Victoria Park, Western Australia, 6100;
- Facsimile to fax number +61 (8) 9361 3184;
- Post to 53 Canning Highway, Victoria Park, Western Australia, 6100; or
- Email to [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au),

so that it is received not later than 10:00am (WST) on Wednesday, 25 November 2015.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-Chair proxy to Chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

# FYI RESOURCES LIMITED

ACN 061 289 218

## NOTICE OF ANNUAL GENERAL MEETING

---

Notice is hereby given that the Annual General Meeting of the Shareholders of FYI Resources Limited will be held at HLB Mann Judd Boardroom, Level 4, 130 Stirling Street, Perth, Western Australia on Friday, 27 November 2015 at 10:00am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

### AGENDA

#### **ORDINARY BUSINESS**

---

##### **Annual Financial Report**

To receive and consider the Annual Financial Report of the Company together with the Directors' Report, Directors' Declaration and the Independent Audit Report for the year ended 30 June 2015.

---

##### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the year ended 30 June 2015."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion:**

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (b) the voter is the chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the entity.

---

## **Resolution 2 - Re-election of Director – Adrian Jessup**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of rule 7.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Adrian Jessup, a Director of the Company, retires by rotation and being eligible for re-election, is re-elected as a Director of the Company."*

---

## **Resolution 3 – Ratification of Placement of Shares**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,666,668 Shares in the capital of the Company at 3 cents each on the terms set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## **Resolution 4 – Approval to Issue Shares – Thai Potash Projects**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company issue up to 3,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## SPECIAL BUSINESS

---

### Resolution 5 – Approval of Additional Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

### Resolution 6 – Issue of Shares to Capstone Capital Pty Ltd in Lieu of Fees

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 3,571,429 Shares in the capital of the Company to Capstone Capital Pty Ltd, an associate of Director Roland Hill, on the terms set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Capstone Capital Pty Ltd and Roland Hill and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

### Resolution 7 – Issue of Shares to Edmund Babington in Lieu of Directors Fees

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 428,571 Shares in the capital of the Company to Director, Edmund Babington or his nominee, on the terms set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Edmund Babington and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**Resolution 8 – Issue of Shares to David Sargeant in Lieu of Directors Fees**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 525,000 Shares in the capital of the Company to Director, David Sargeant or his nominee, on the terms set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by David Sargeant and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**Resolution 9 – Issue of Shares to Adrian Jessup in Lieu of Directors Fees**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 525,000 Shares in the capital of the Company to Director, Adrian Jessup or his nominee, on the terms set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Adrian Jessup and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**By order of the Board**



Phillip MacLeod  
Company Secretary  
Dated: 21 October 2015

## **EXPLANATORY STATEMENT**

---

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

---

### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company does not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on the ASX website.

---

### **2. INFORMATION RELATING TO RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

#### **2.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the Directors of the company.

The remuneration report sets out the company's remuneration arrangements for the Directors and senior management of the company. The remuneration report is part of the Directors' report contained in the annual financial report of the company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### **2.2 Voting consequences**

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of Directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the company who were in office when the Directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the company is approved will be the Directors of the company.

#### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

---

## 3. INFORMATION RELATING TO RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ADRIAN JESSUP

Mr Jessup was appointed a director of the Company on 30 November 2009 and was last re-elected on 29 November 2013.

Pursuant to rule 7.3 of the Company's Constitution and ASX Listing Rule 14.4, Mr Jessup, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Jessup also holds a Bachelor of Science degree (with honours) in economic geology from the University of Sydney and has more than 40 years continuous experience as a geologist, company director and consultant involved in mineral exploration, ore deposit evaluation and mining. He is a member of AusIMM, the Geological Society of Australia and the Australian Institute of Geoscientists. Mr Jessup is also a director of Empire Resources Limited. The Board considers that Mr Jessup is not an independent Director.

The Directors (apart from Mr Jessup) recommend that Shareholders vote in favour of the re-election of Mr Jessup.

---

## 4. INFORMATION RELATING TO RESOLUTION 3 – RATIFICATION OF PLACEMENT OF SHARES

### 4.1 Background

During August 2015, the Company announced that it had issued 6,666,668 Shares at 3 cents each to raise \$200,000 (before costs) (**Placement**). The funds were raised to advance the Company's Southeast Asian potash strategy, cost of the issue and working capital. The Placement was made to sophisticated investors under the Company's placement capacity pursuant to Listing Rule 7.1.

### 4.2 ASX Listing Rules

Resolution 3 seeks ratification of the issue of 6,666,668 Shares issued at a price of 3 cents per Share to raise \$200,000 and issued within the Company's placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1.



Listing Rule 7.5 provides that for Shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

- (a) The number of securities issued and allotted was 6,666,668 Shares;
- (b) The Shares were issued at a price of 3 cents per Share;
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares;
- (d) The Shares were allotted to sophisticated investor clients of Peloton Capital and Taylor Collison. The recipients are not related parties of the Company; and
- (e) The funds raised from this issue will be used to fund the Company's Southeast Asian potash strategy; for working capital; and costs associated with the issue.

---

## 5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES – THAI POTASH PROJECTS

### 5.1 General

On 27 October 2014, the Company announced that it had entered in an agreement (**Management Agreement**) with Asia Pacific Potash Resources Ltd (**APPR**). The Management Agreement details the services to be provided by APPR in relation to the identification and securing of suitable potash projects in Thailand and managing all aspects for the exploration of the projects and administration of the operations in Thailand on behalf of the Company. The Management Agreement also sets out the grant of Shares to APPR (or their nominees), in a number of tranches, on the successful grant of tenements for specified project areas and the issue of further Shares on the completion of bankable feasibility studies for each of the project areas. The issue of these Shares is subject to prior shareholder approval.

At the Annual General Meeting held 26 November 2014, pursuant to ASX List Rule 7.1, shareholders approved the issue of up to 3,000,000 Shares (**WMM Initial Introduction Shares**) to APPR (or their nominees) within 1 month of the grant of the West Mekong Potash Project (**WMM Tenements**). The approval allowed for the issue of the Initial Consideration Shares during the period of 3 months following that meeting without using the Company's 15% annual placement capacity or additional 10% annual placement capacity. At the date of this Notice, the WMM Tenements had not been granted.

Resolution 4 again seeks Shareholder approval for the issue of 3,000,000 Shares WMM Initial Introduction Shares to APPR (or their nominees) within 1 month of the grant of the WMM Tenements.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Initial Consideration Shares during the period of 3 months after this Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity or additional 10% annual placement capacity.

### 5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (i) the maximum number of Shares to be issued is 3,000,000;
- (ii) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue will occur on the same date;
- (iii) the Shares will be issued to APPR (or their nominees). APPR are not related parties of the Company;
- (iv) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (v) no funds will be raised from the issue of the Shares as the Shares will be issued as an introduction and success fee pursuant to the terms of the Management Agreement on the grant of the WMM Tenements.

---

## 6. INFORMATION RELATING TO RESOLUTION 5 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

### 6.1 General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under Resolution 5 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

### 6.2 Requirements of ASX Listing Rule 7.1A

#### (a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,292,534 based on the number of Shares on issue (76,417,786) as at 20 October 2015 and the closing price of Shares (\$0.03) on the ASX on 20 October 2015.

#### (b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting. A resolution under ASX Listing Rule 7.1A cannot be put at any other shareholder meeting.

#### (c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX being fully paid ordinary Shares. The Company also has unquoted options on issue.

#### (d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none"><li>• plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;</li><li>• plus the number of partly paid shares that became fully paid in the 12 months;</li><li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under ASX Listing Rules 7.1 or 7.4;</li><li>• less the number of fully paid shares cancelled in the 12 months.</li></ul>
D	10%
E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

#### (e) Interaction between ASX Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under ASX Listing Rule 7.1A is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company has 76,417,786 Shares on issue as at the date of this Notice. If Resolution 5 is passed, the Company will be permitted to issue (as at the date of this Notice):

- 11,462,667 Equity Securities under ASX Listing Rule 7.1; and
- 7,641,778 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 5 will be to allow the Company to issue securities under ASX Listing Rule 7.1A without using the Company's placement capacity under ASX Listing Rule 7.1.

### **6.3 Information for Shareholders as required by ASX Listing Rule 7.3A**

#### **(a) Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

#### **(b) Risk of economic and voting dilution**

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under ASX Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		1.5 cents 50% decrease in Issue Price	3 cents Issue Price	6 cents 100% increase in Issue Price
Current Variable A 76,417,786 Shares	10% Voting Dilution	7,641,778 Shares	7,641,778 Shares	7,641,778 Shares
	Funds raised	\$114,627	\$229,253	\$458,507
50% increase in current Variable A 114,626,679 Shares	10% Voting Dilution	11,462,667 Shares	11,462,667 Shares	11,462,667 Shares
	Funds raised	\$171,940	\$343,880	\$687,760
100% increase in current Variable A 152,835,572 Shares	10% Voting Dilution	15,283,557 Shares	15,283,557 Shares	15,283,557 Shares
	Funds raised	\$229,253	\$458,507	\$917,013

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No options are exercised into Shares before the date of issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is 3 cents, being the closing price of the Shares on ASX on 20 October 2015.

The Company's ability to issue securities under ASX Listing Rule 7.1A is in addition to its ability to issue securities under ASX Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 27 November 2015 (the date of this Meeting) and expires on the earlier of:

- 27 November 2016, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking, (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), continued expenditure on the Company's then current exploration assets and for general working capital; or
- non-cash consideration for acquisition of new mineral exploration and/or mining assets and investments or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The recipients will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the recipients are not known but may include existing substantial Shareholders and/or new Shareholders. No recipient under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the recipients will be the vendors of the new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

On 26 November 2014, the Company received Shareholder approval for the Additional Placement Capacity at its 2014 annual general meeting. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 27 November 2014) is 6,666,668 Shares. The total number of Equity Securities on issue as at 27 November 2014 was 72,001,118 (being 69,751,118 Shares and 2,250,000 Options). The total number of Equity Securities issued in the 12 months since 27 November 2014 is 9.2% of the total number of Equity Securities on issue at 27 November 2014.
- The details of Equity Securities issued during the 12 months preceding the date of the Meeting are:

Date of issue:	12 August 2015
Number of Equity Securities:	6,666,668
Summary of terms:	Fully paid ordinary shares
Basis on which recipients were determined:	The Shares were issued to sophisticated investor clients of Peloton Capital and Taylor Collison, under Section 708 of the Corporations Act. The recipients were not related parties of the Company.
Price:	3 cents per Share
Discount to market price:	The Shares were issued at a 0.2 cent discount to the market price of 3.2 cents.
Total cash consideration received:	\$200,000
Amount of cash consideration spent:	Approximately \$100,000
Use of cash consideration:	Costs associated with applications for Thai and Laos Potash projects; costs of the issue; and other working capital costs.

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

---

**7. RESOLUTION 6 – ISSUE OF SHARES TO CAPSTONE CAPITAL PTY LTD, AN ASSOCIATE OF DIRECTOR, ROLAND HILL**

**7.1 Background**

The Company entered into an agreement with Capstone Capital Pty Ltd (**Capstone**) in February 2011, for the provision of the services by Roland Hill as CEO of the Company. Under the terms of that agreement Capstone was to be paid a fee of \$15,000 per month. During 2013, Capstone agreed to defer the payment of the monthly fee until otherwise agreed by both parties. To 30 June 2014, a total of \$231,000 in fees had accrued to Capstone. In September 2014, Capstone agreed to forgo fees of \$77,000 and with the approval of shareholders, receive 1,540,000 Shares at 5 cents each in lieu of fees of \$77,000.

Since 1 July 2014 to 30 June 2015 Capstone had accrued a further \$180,000 in fees (exclusive of GST). The Company has reached a further agreement with Capstone that, subject to Shareholder approval, the Company will issue up to 3,751,429 Shares at 3.5 cents each in lieu of fees of \$125,000 (being approximately 50% of the fees outstanding) and the balance will be paid in cash at a point when the Directors consider it is financially appropriate for the Company.

By issuing Shares in lieu of paying cash, the Company is able to preserve its cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed. The independent Directors resolved to issue the Shares at a deemed issue price of 3.5 cents each being the 6 month value weight average price of the Company's Shares to 19 October 2015. The independent Directors (Messrs Sargeant, Jessup and Babington) support Resolution 6.

**7.2 ASX Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in the opinion of ASX, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As an entity associated with Director Roland Hill, Capstone is a related party of the Company. Accordingly, approval is sought pursuant to Listing Rule 10.11 from Shareholders for the issue of the Shares to Capstone.

Listing Rule 10.11 provides that for Shareholders to approve an issue to a related party, the notice of meeting must include particular information set out in Listing Rule 10.13. This information is as follows:

- (a) the Shares are proposed to be issued to Capstone or its nominee;
- (b) the maximum number of securities to be issued is 3,571,429 Shares;
- (c) the Company proposes to issue the Shares to Capstone no later than 1 month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) Capstone is an associate of Director Roland Hill;
- (e) the Shares will be issued at a deemed price of 3.5 cents per Share;
- (f) the Shares will be fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares; and
- (g) no funds will be raised from the issue of these Shares as they are being issued in part consideration for fees accrued and owing by the Company to Capstone.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Capstone as approval is being sought under Listing Rule 10.11. Accordingly, the issue of the Shares to Capstone will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

---

## 8. RESOLUTIONS 7, 8 AND 9 – ISSUE OF SHARES IN LIEU OF FEES

### 8.1 Background

The Directors agreed at the beginning of 2014 to defer payment of fees payable to Non-executive Directors and the CEO in order to conserve the Company's cash reserves. On 19 October 2015, the Company agreed, subject to shareholder approval, to issue up to 1,478,571 Shares (**Director Remuneration Shares**) to the non-executive Directors on the terms and conditions set out below.

The Board has received no cash payment for Director fees accrued after 31 December 2013.

The primary purpose of issuing the Director Remuneration Shares is to provide remuneration in lieu of 50% of non-executive Director fees due and accrued to 30 June 2015 in their roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

By issuing Director Remuneration Shares in lieu of paying cash, the Company is able to preserve its cash reserves. The Directors independent of the Director in question in each case resolved to issue the Director Remuneration Shares at a deemed price of 3.5 cents each being the value weighted average Share price for the 6 months to 19 October 2015, the time the Directors made such resolution. The Director Remuneration Shares equate to approximately \$51,750 being 50% of the total non-executive Director fees due and payable to 30 June 2015. The balance of the fees due are to be paid in cash at a point when the Directors consider it is financially appropriate for the Company.

### 8.2 ASX Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in the opinion of ASX, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors are related parties of the Company. Accordingly, approval is sought pursuant to Listing Rule 10.11 from Shareholders for the issue of the Director Remuneration Shares.

Listing Rule 10.11 provides that for Shareholders to approve an issue to a related party, the notice of meeting must include particular information set out in Listing Rule 10.13. This information is as follows:

- (a) the Director Remuneration Shares are proposed to be issued to Edmund Babington (Resolution 7), David Sargeant (Resolution 8) and Adrian Jessup (Resolution 9) or their nominees;
- (b) the maximum number of Director Remuneration Shares to be issued is 1,478,571 as per the following:
  - (i) 428,571 Shares to Edmund Babington or his nominee;
  - (ii) 525,000 Shares to David Sargeant or his nominee;
  - (iii) 525,000 Shares to Adrian Jessup or his nominee.
- (c) the Company proposes to issue the Director Remuneration Shares no later than 1 month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) all parties are Directors of the Company;
- (e) the Director Remuneration Shares will be issued at a deemed price of 3.5 cents each;
- (f) the Director Remuneration Shares will be fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares; and
- (g) no funds will be raised the issue of these Director Remuneration Shares as they are being issued in part consideration for fees accrued and owing by the Company to the Directors.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to Capstone as approval is being sought under Listing Rule 10.11. Accordingly, the issue of the Shares to Capstone will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

---

## 9. ENQUIRIES

Shareholders may contact Phil MacLeod on (+ 61 8) 9389 7050 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

---

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**Additional Placement Capacity**" means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"**Annual General Meeting and Meeting**" means the meeting convened by this Notice.

"**ASIC**" means the Australian Securities and Investment Commission.

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Business Day**" has the same meaning as in the Listing Rules.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**FYI Resources**" means FYI Resources Limited (ACN 061 289 218).

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

"**Directors**" mean the directors of the Company from time to time.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to acquire a Share.

"**Optionholder**" means a holder of an Option.

"**Placement Period**" means the period during which Shareholder approval under Listing Rule 7.1A is valid.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of shares in the Company.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.



# FYI RESOURCES LIMITED

ACN 061 289 218

## PROXY FORM

I/We being a Shareholder of FYI Resources Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

The Chairman of the Meeting  
(mark with an X)

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate you are appointing as your proxy.

### Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, and subject to the relevant laws, as the proxy sees fit at the Annual General Meeting to be held at the HLB Mann Judd Boardroom, Level 4, 130 Stirling Street, Perth, Western Australia on 27 November 2015 at 10:00am (WST) and at any adjournment thereof.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

### Voting on Business of the Annual General Meeting

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Adrian Jessup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue Shares for Potash Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue Shares to Capstone Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Shares to E Babington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue Shares to D Sargeant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to Issue Shares to A Jessup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

### Signature of Shareholder(s):

#### Individual or Shareholder 1

Sole Director/Company Secretary

#### Shareholder 2

Director

#### Shareholder 3

Director/Company Secretary

Date:

\_\_\_\_\_

**FYI RESOURCES LIMITED**  
**ACN 061 289 218**

**Instructions for Completing Proxy Form**

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 53 Canning Highway, Victoria Park, Western Australia, 6100

Fax Number: +61 (8) 9361 3184

Email Address: [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au)

Postal Address: 53 Canning Highway, Victoria Park, Western Australia, 6100

by no later than 48 hours prior to the time of commencement of the Meeting.