

**FYI RESOURCES LIMITED**

**ABN 85 061 289 218**

## **Interim Report**

**31 December 2019**

**FYI RESOURCES LIMITED  
31 DECEMBER 2019**

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**FYI RESOURCES LIMITED  
31 DECEMBER 2019**

**CORPORATE DIRECTORY**

***DIRECTORS***

Edmund Babington – Non-Executive Chairman  
David Sargeant – Non-Executive Director  
Adrian Jessup – Non-Executive Director

Roland Hill – Managing Director

***COMPANY SECRETARY***

Phillip MacLeod

***REGISTERED and PRINCIPAL OFFICE***

Units 8-9, 88 Forrest Street Cottesloe 6011  
Western Australia

Phone +61 9313 3920  
Website [www.fyiresources.com.au](http://www.fyiresources.com.au)

***ABN***

85 061 289 218

***SHARE REGISTRY***

Automic Pty Ltd  
Level 5  
126 Phillip Street  
Sydney NSW 2000

***AUDITOR***

HLB Mann Judd (WA) Partnership  
Level 4  
130 Stirling Street  
Perth 6000  
Western Australia

***SECURITIES EXCHANGE LISTING***

ASX Limited  
Home Exchange Perth  
ASX Code: FYI

Frankfurt Stock Exchange  
Code: SDL

Hamburg Stock Exchange  
Code: A0RDPF

**FYI RESOURCES LIMITED  
DIRECTORS' REPORT  
FOR THE HALF-YEAR ENDED 31 December 2019**

**Directors' Report**

Your directors submit their report on FYI Resources Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Directors**

The directors of the Company at any time during or since the end of the half-year are:

Edmund Babington  
Roland Hill  
David Sargeant  
Adrian Jessup

**Review of Operations and Exploration Activities**

The Group's loss for the half-year ended 31 December 2019 was \$1,624,466 (2018: \$1,317,481).

During the period the principal activities of the Group consisted of mineral exploration and evaluation in Australia and southeast Asia.

**Dividends**

No dividends have been paid during the period and no dividends have been recommended by the directors.

**Events subsequent to reporting date**

On 11 March 2020, the Group announced that it has entered into a strategic project development equity financing facility of up to A\$80 million with a Luxembourg based private equity group, GEM Global Yield LLC SCS and the Group released its Definitive Feasibility Study.

Other than this, no matter or circumstance has arisen, since the end of the financial half-year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the subsequent financial half-year.

**Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim report. This written Auditor's Independence Declaration is set out on page 17 and forms part of this Directors' Report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s306(3) of the Corporations Act 2001.



**Roland Hill**  
**Managing Director**  
Perth, 12<sup>th</sup> March 2020

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated	
		6 months ended 31/12/2019 \$	6 months ended 31/12/2018 \$
<b>Continuing Operations</b>			
Interest income		1,119	12,866
Exploration and evaluation expenditure	6	(1,174,419)	(970,445)
ASX fees		(31,687)	(32,286)
Share based payments		-	(83,418)
Accounting and audit fees		(121,566)	(71,968)
Other administration expenses		(49,414)	(30,968)
Directors fees		(155,280)	(146,280)
Share registry expenses		(11,901)	(5,073)
Rent		-	(3,080)
Legal expenses		(3,000)	(2,200)
Consulting fees		(35,979)	(55,924)
Interest expense		(42,339)	-
<b>Loss before income tax expense</b>		<b>(1,624,466)</b>	<b>(1,388,776)</b>
Income tax benefit		-	71,295
<b>Net loss for the year</b>		<b>(1,624,466)</b>	<b>(1,317,481)</b>
<b>Other comprehensive income, net of tax</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences from translation of foreign operations		(2,079)	(2,695)
<b>Other comprehensive loss</b>		<b>(2,079)</b>	<b>(2,695)</b>
<b>Total comprehensive loss</b>		<b>(1,626,545)</b>	<b>(1,320,176)</b>
<b>Loss for the year is attributable to:</b>			
Owners of FYI Resources Ltd		(1,614,737)	(1,310,618)
Non-controlling interests		(9,729)	(6,863)
		<b>(1,624,466)</b>	<b>(1,317,481)</b>
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of FYI Resources Ltd		(1,616,816)	(1,313,313)
Non-controlling interests		(9,729)	(6,863)
		<b>(1,626,545)</b>	<b>(1,320,176)</b>
<b>Basic and diluted loss per share (cents per share)</b>	12	<b>(0.76)</b>	<b>(0.70)</b>

The accompanying notes form part of these financial statements.

**FYI RESOURCES LIMITED**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	Consolidated	
		31/12/2019 \$	30/06/2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		418,546	940,088
Trade and other receivables		201,950	977,907
<b>Total Current Assets</b>		<b>620,496</b>	<b>1,917,995</b>
<b>NON-CURRENT ASSETS</b>			
Deferred exploration and evaluation expenditure	7	3,533,332	3,533,332
<b>Total Non-Current Assets</b>		<b>3,533,332</b>	<b>3,533,332</b>
<b>TOTAL ASSETS</b>		<b>4,153,828</b>	<b>5,451,327</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,005,706	1,134,425
Borrowings	9	767,442	309,677
<b>Total Current Liabilities</b>		<b>1,773,148</b>	<b>1,444,102</b>
<b>TOTAL LIABILITIES</b>		<b>1,773,148</b>	<b>1,444,102</b>
<b>NET ASSETS</b>		<b>2,380,680</b>	<b>4,007,225</b>
<b>EQUITY</b>			
Issued capital	10	37,495,460	37,495,460
Reserves		1,627,071	1,629,150
Accumulated losses		(36,552,561)	(34,937,824)
Equity attributable to owners of the parent		2,569,970	4,186,786
Non-controlling interests		(189,290)	(179,561)
<b>TOTAL EQUITY</b>		<b>2,380,680</b>	<b>4,007,225</b>

*The accompanying notes form part of these financial statements.*

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Consolidated						Total
	Issued Capital	Accumulated Losses	Share-based Payments Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	
<b>Balance at 1 July 2018</b>	35,880,361	(31,770,098)	1,520,425	834,677	3,929	(146,458)	6,322,836
Loss for the period	-	(1,310,618)	-	-	-	(6,863)	(1,317,481)
Other comprehensive loss	-	-	-	-	(2,695)	-	(2,695)
Total comprehensive loss for the period	-	(1,310,618)	-	-	(2,695)	(6,863)	(1,320,176)
Equity transactions:							
Shares issued net of transactions costs	47,855	-	-	-	-	-	47,855
Share-based payments	-	-	83,418	-	-	-	83,418
<b>Balance at 31 December 2018</b>	<b>35,928,216</b>	<b>(33,080,716)</b>	<b>1,603,843</b>	<b>834,677</b>	<b>1,234</b>	<b>(153,321)</b>	<b>5,133,933</b>
<b>Balance at 1 July 2019</b>	<b>37,495,460</b>	<b>(34,937,824)</b>	<b>793,843</b>	<b>834,677</b>	<b>630</b>	<b>(179,561)</b>	<b>4,007,225</b>
Loss for the period	-	(1,614,737)	-	-	-	(9,729)	(1,624,466)
Other comprehensive loss	-	-	-	-	(2,079)	-	(2,079)
Total comprehensive loss for the period	-	(1,614,737)	-	-	(2,079)	(9,729)	(1,626,545)
<b>Balance at 31 December 2019</b>	<b>37,495,460</b>	<b>(36,552,561)</b>	<b>793,843</b>	<b>834,677</b>	<b>(1,449)</b>	<b>(189,290)</b>	<b>2,380,680</b>

*The accompanying notes form part of these financial statements.*

**FYI RESOURCES LIMITED**

**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Consolidated	
	6 months ended 31/12/2019 \$	6 months ended 31/12/2018 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(274,572)	(347,756)
Payments for exploration and evaluation	(1,433,385)	(666,834)
Finance costs	(36,074)	-
Interest received	1,119	13,306
Other - R&D tax offset	777,631	-
<b>Net cash outflow from operating activities</b>	<b>(965,281)</b>	<b>(1,001,284)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	52,000
Share issue costs	(5,011)	(4,145)
Proceeds from borrowings	998,750	-
Repayment of borrowings	(550,000)	-
<b>Net cash inflow from financing activities</b>	<b>443,739</b>	<b>47,855</b>
Net (decrease)/increase in cash held	(521,542)	(953,429)
Cash at the beginning of the period	940,088	2,889,087
<b>Cash at the end of the period</b>	<b>418,546</b>	<b>1,935,658</b>

*The accompanying notes form part of these financial statements.*



## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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#### 1. Basis of Preparation

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period, and the Company is a for-profit entity.

This condensed half-year report does not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by FYI Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations described in the section 'Adoption of new and revised Accounting Standards'. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim report has been prepared on a historical cost basis. Historical cost is based on the fair value of the consideration given in exchange for assets, goods and services.

The Company is domiciled in Australia and all amounts are presented in Australian dollars.

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

#### (a) Statement of compliance

The interim financial statements were authorised for issue on 12<sup>th</sup> March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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#### 1. Basis of Preparation (continued)

##### (b) Adoption of New and Revised Standards

*New Standards and Interpretations applicable for the half year ended 31 December 2019*

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective from the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies. This includes an assessment of AASB 16 Leases. The Group has no leases on transition or during the period.

*New Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

##### (c) Going concern

As disclosed in the Statement of Comprehensive Income, the Group recorded operating losses of \$1,624,466 (2018: \$1,317,481) and as disclosed in the Statement of Cash Flows, the Group recorded cash outflows from operating activities of \$965,281 (2018: \$1,001,284) and cash inflows from investing activities of \$443,739 (2018: \$47,855). After consideration of these financial conditions, the Directors have assessed the following matters in relation to the adoption of the going concern basis of accounting by the Group:

- the Group has working capital deficit of \$1,152,652 (30 June 2019: Surplus \$473,893) at balance date, exploration expenditure commitments for the next 12 months of \$62,932 (30 June 2019: \$236,368) and consultancy commitments for the next 12 months of \$217,800 (30 June 2019: \$198,000),
- the Group has the ability to complete capital raisings on a timely basis, pursuant to the Corporations Act 2001, as is anticipated to occur in the 2020 financial year, and
- the Company and Group have the ability, if required, to undertake mergers, acquisitions or restructuring activity or to wholly or in part, dispose of interests in mineral exploration assets.

The Directors anticipate further equity raisings will be required in the 2020 financial year. Should these capital raisings or other working capital not be realised, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business. Refer to Note 5 for details of a facility available to the Company.

## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 2. Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of FYI Resources Ltd.

The Group operates in two business and two geographical segments being high purity alumina exploration and evaluation in Australia and potash exploration and evaluation in Asia. The Group considers its business operations in mineral exploration to be its primary reporting function.

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the half years ended 31 December 2019 and 31 December 2018.

	Continuing Operations		Unallocated Items	Total
	High Purity Alumina Exploration and Evaluation Australia \$	Potash Exploration and Evaluation Asia \$		
<b>Half-year ended 31 December 2019</b>				
<b>Segment net operating loss after tax</b>	(1,197,666)	(19,092)	(407,708)	(1,624,466)
Interest and other revenue	-	-	1,119	1,119
<b>Segment assets</b>	3,593,432	3,562	556,834	4,153,828
<b>Segment liabilities</b>	626,765	65,961	1,080,422	1,773,148
<b>Half-year ended 31 December 2018</b>				
<b>Revenue</b>				
<b>Segment net operating loss after tax</b>	(955,281)	(15,164)	(347,036)	(1,317,481)
Interest revenue	-	486	12,380	12,866
Income tax benefit/(expense)	71,295	-	-	71,295
<b>Segment assets</b>	3,533,432	1,497	2,360,491	5,895,420
<b>Segment liabilities</b>	315,108	31,813	414,566	761,487

#### 3. Dividends

No dividends were paid or declared payable during or since the half-year.

#### 4. Contingent Liabilities

There has been no change in contingent liabilities of the Group since the last annual reporting date.

#### 5. Events Subsequent to Reporting Date

On 11 March 2020, the Group announced that it has entered into a strategic project development equity financing facility of up to A\$80 million with a Luxembourg based private equity group, GEM Global Yield LLC SCS and the Group released its Definitive Feasibility Study.

Other than this, no matter or circumstance has arisen, since the end of the financial half-year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the subsequent financial half-year.

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

6. Expenses

	Consolidated	
	6 months ended 31/12/2019 \$	6 months ended 31/12/2018 \$
<b>Exploration and evaluation expenditure</b>		
Laos exploration	19,092	15,164
HPA tenement expenses	8,883	10,757
HPA metallurgy and assay	299,133	382,249
HPA field supplies	-	448
HPA geologist	-	45,852
HPA product development	166,541	189,855
HPA engineering	119,786	247,287
HPA Pilot plant	523,379	-
Other exploration expense	37,605	78,833
	<b>1,174,419</b>	<b>970,445</b>

7. Deferred Exploration and Evaluation Expenditure

	Consolidated	
	31/12/2019 \$	30/06/2019 \$
Balance at beginning of period	3,533,332	3,533,332
Balance at end of period	<b>3,533,332</b>	<b>3,533,332</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluations phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

8. Trade and other payables

	Consolidated	
	31/12/2019 \$	30/06/2019 \$
Trade and other payables	786,188	925,392
Director related payables	187,000	163,900
Accruals	32,518	45,133
	<b>1,005,706</b>	<b>1,134,425</b>

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

9. Borrowings

	Consolidated	
	31/12/2019	30/06/2019
	\$	\$
Borrowings	767,442	309,677
	<b>767,442</b>	<b>309,677</b>

Changes in liabilities arising from financing activities

At start of period	309,677	-
Net cash from financing activities	998,750	298,500
Finance costs incurred	45,089	11,177
Repayment of borrowings	(550,000)	-
Finance costs paid	(36,074)	-
<b>Balance at end of period</b>	<b>767,442</b>	<b>309,677</b>

The Company entered into an agreement with Asymmetric Innovation Finance Pty Ltd to borrow an advance of up to \$750,000 at the applicable interest rate of 15% per annum. The interest is capitalised on a monthly basis, in arrears. At 31 December 2019, the Company had received an advance of \$750,000. Upon receipt of the refundable tax offset, the company has agreed to repay the loan to the Lender.

10. Issued capital

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Consolidated	
	31/12/2019	30/06/2019
	\$	\$
212,772,654 (30 June 2019: 212,772,654) fully paid ordinary shares	37,495,460	37,495,460

**FYI RESOURCES LIMITED**

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**10. Issued capital (continued)**

	Consolidated	
	31/12/2019 No.	30/06/2019 No.
<b>(i) Ordinary shares - number</b>		
Balance at beginning of period	<b>212,772,654</b>	185,899,454
500,000 shares issued at 8.8 cents per share on 19 July 2018	-	500,000
50,000 shares issued at 10 cents per share on 19 July 2019	-	50,000
30,000 shares issued at 10 cents per share on 3 October 2018	-	30,000
10,000,000 shares issued at 8.1 cents per share on 12 February 2019 <sup>1</sup>	-	10,000,000
16,293,200 shares issued at 5 cents per share on 28 June 2019	-	16,293,200
<b>Balance at end of period</b>	<b>212,772,654</b>	<b>212,772,654</b>

<sup>1</sup> Issued as the third tranche consideration for the purchase of Kokardine Kaolin Pty Ltd as approved by shareholders on 29 November 2017.

	Consolidated	
	31/12/2019 \$	30/06/2019 \$
<b>(ii) Ordinary shares – value</b>		
Balance at beginning of period	<b>37,495,460</b>	35,880,361
500,000 shares issued at 8.8 cents per share on 19 July 2018	-	44,000
50,000 shares issued at 10 cents per share on 19 July 2018	-	5,000
30,000 shares issued at 10 cents per share on 3 October 2018	-	3,000
10,000,000 shares issued at 8.1 cents per share on 12 February 2019	-	810,000
16,293,200 shares issued at 5 cents per share on 28 June 2019	-	814,660
Costs of shares issued	-	(61,561)
<b>Balance at end of period</b>	<b>37,495,460</b>	<b>37,495,460</b>

**b) Options**

As at 31 December 2019 the Company had the following options on issue over ordinary shares:

	Consolidated	
	31/12/2019 No.	30/06/2019 No.
<b>Options - number</b>		
Balance at beginning of period	<b>12,396,600</b>	11,752,615
Exercise of options 19 July 2018	-	(500,000)
Exercise of options 19 July 2018	-	(50,000)
Exercise of options 3 October 2018	-	(30,000)
Issue of options 17 November 2018	-	2,250,000
Expiry of options 29 November 2018	-	(1,750,000)
Expiry of options 31 January 2019	-	(7,422,615)
Issue of options 28 June 2019	-	8,146,600
<b>Balance at end of period</b>	<b>12,396,600</b>	<b>12,396,600</b>

## FYI RESOURCES LIMITED

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### 10. Issued capital (continued)

The following share-based payment arrangements were in place during the current and prior periods.

	Number	Grant date	Expiry date	Exercise Price	Fair value at grant date	Vesting date
<b>Consultant Options</b>	2,000,000	05-Apr-18	04-Apr-20	\$0.096	\$0.0761	05-Apr-18
<b>Director Options</b>	2,250,000	27-Nov-18	26-Nov-20	\$0.106	\$0.0371	27-Nov-18

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the options were granted.

#### 11. Related Party Disclosure

The consolidated financial statements include the financial statements of FYI Resources Ltd and the subsidiaries listed in the following table.

Controlled entities	Country of incorporation	Percentage Owned	
		31/12/2019 %	30/06/2019 %
Parent Entity:			
FYI Resources Ltd	Australia		
Subsidiaries of FYI Resources Ltd:			
Kokardine Kaolin Pty Ltd	Australia	<b>100</b>	100
FYI Thailand Pty Ltd	Australia	<b>100</b>	100
<i>which controls</i>			
West Mekong Minerals Ltd	Thailand	<b>49</b>	49

The Company finances the operations of FYI Thailand Pty Ltd and thus this company has unsecured borrowings from the Company that are interest free and at call. The ability of this controlled entity to repay debts due to the company (and other parties) will be dependent on the commercialisation of the prospecting licences owned by the subsidiary.

FYI Thailand Pty Ltd possesses 82.8% of the voting rights for West Mekong Minerals Ltd.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

Arrangements with Directors continue to be in place. For details on these arrangements, refer to the 30 June 2019 annual financial report.

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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12. Loss per share

	Consolidated	
	6 months ended 2019 Cents	6 months ended 2018 Cents
Basic loss per share	<b>(0.76)</b>	(0.70)
Loss used in the calculation of basic EPS	<b>(1,614,737)</b>	(1,310,618)
Weighted average number of shares outstanding during the period used in calculations of basic loss per share	<b>212,772,654</b>	186,409,946

13. Fair Value

The Director's consider that the carrying amounts of financial assets and financial liabilities approximates their fair value at balance date.



## FYI RESOURCES LIMITED

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### DIRECTORS' DECLARATION

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In the opinion of the Directors of FYI Resources Limited ("Company"):

1. The attached financial statements and notes are in accordance with the Corporations Act 2001, including:

(a) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year then ended; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed made in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



**Roland Hill**  
**Director**

Perth, 12<sup>th</sup> March 2020

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of FYI Resources Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
12 March 2020



**D I Buckley**  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of FYI Resources Limited

### **Report on the Condensed Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of FYI Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of FYI Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Emphasis of matter - material uncertainty related to going concern*

We draw attention to Note 1(c) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**12 March 2020**



**D I Buckley**  
**Partner**