

QUARTERLY REPORT FOR THE PERIOD ENDING 30th JUNE 2014

HIGHLIGHTS

- FYI Thailand potash strategy advances
- Targeting high grade, large tonnage, shallow potash deposits
- Further Special Prospecting Licence areas applied for
- Board and management site visit
- Board and management changes
- Successful interim financing completed
- Project development pipeline developed

REVIEW OF OPERATIONS JUNE QUARTER 2014

Thailand Potash

FYI continues its commitment to the Thailand Potash strategy and believes the aggregated potash portfolio to have the potential to be world class.

As previously reported, a further 6 Special Prospecting Licence (SPL) application areas were finalised based on the recommendation of the Company's in-house local management group after receiving encouraging reviews of prospective target areas.

The new tenement areas are in the North East part of Thailand and cover an area of approximately 90 km² and will complement the current West Mekong project by providing a project pipeline for FYI in terms of timing of exploration activity.

In preparation for the West Mekong SPL approvals and the subsequent commencement of exploration activities, 2 board members of FYI undertook a country visit for a project strategy briefing with the in-country management team and also to familiarise themselves with the assets, the perceived country risk and regulatory environment.

Project Review

The in-country management group presented a technical and strategic review of the Thai potash industry and of the company projects to the visiting board members. The review highlighted the technical merit, potential quality and project/industry advantages that the Thai potash portfolio represents.

Sovereign Risk

The board's assessment of the apparent sovereign risk arising from the recently imposed military law is that the actual in-country impact is minor, and if anything, is mildly positive. The impartiality of the temporary governing army allows bureaucratic functions and civil activities to continue in a normal fashion without being interrupted by opposing political parties and their supporting disruptive factions.

Regulatory Environment

Following a meeting with senior personnel at a tier one international legal and accounting firm in Bangkok, the visiting board members were satisfied that Thailand is a commercially suitable and secure jurisdiction under which to operate in the short and long term.

The outcome of the visit resulted in an renewed endorsement and support for the Potash strategy by the FYI board.

Strategy Progress

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

- FYI non-executive Board and management country visit
- Project pipeline developed in conjunction with the in-country management team
- ESM SPL project area applications submitted
- exploration and development strategy outlined with the local technical and administration team
- Finalised the requisite local company and industrial relations agreements
- Structured and registered a local operating Company "East Siam Minerals Ltd"

Board Changes

FYI have effected a number of board changes to address the change in the Company's corporate direction and expected increase in activity as well as to accommodate the personal requirements of some of the members.

Due to an increase in his executive work commitments with another listed company, the past non-executive Chairman, Dr David Sparling resigned in favour of the now Chairman, Mr Edmund Babington. We would like to thank Dr Sparling for his many years of dedicated service to FYI and wish him the best in the future.

FYI will benefit from Mr Babington's legal and corporate experience at an important juncture in the Company's development.

Roland Hill was formally appointed to the position of Managing Director from CEO to facilitate an increase in responsibility in parallel with the anticipated increased level of technical and corporate activity.

Capital Raising

FYI successfully completed an equity raising of \$250,000 via the issuance of 5,000,000 shares at \$0.05 cents per share. The proceeds of this capital will be used towards the ongoing development of the Thai potash strategy.

Capital Preservation

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

Yarlarweelor

No field work was undertaken during the quarter.

Corporate Activities

Since committing to the Potash strategy in Thailand and recognising its potential to host a world class deposit, FYI has ceased its project generation activities and will focus on the exploration and development of its potash assets.

About FYI

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

Further Information:

Adrian Jessup

Director

Tel: (08) 9361 3100

Roland Hill

Managing Director

Tel: 0414666178

Interest in Mineral Tenements at 30 June 2014

Tenement	Location	No of Shares	Change in Interest During Quarter
E52/2095	Meekatharra	100/100	-
E52/2885	Meekatharra	100/100	-
E52/2885	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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation of new projects	(51)	(482)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(89)	(194)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Net R&D rebate + GST refund)	2	39
Net Operating Cash Flows		(138)	(635)
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	-	40
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	40
1.13	Total operating and investing cash flows (carried forward)	(138)	(595)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(138)	(595)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	250	515
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)	-	(12)
	Net financing cash flows	250	503
	Net increase (decrease) in cash held	112	(92)
1.20	Cash at beginning of quarter/year to date	16	220
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	128	128

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	26
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Part payment of accrued directors' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	52
Total	102

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	127	16
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	127	16

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	Preference securities				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	63,311,118	63,311,118		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,000,000	5,000,000	5 cents	5 cents
7.5	+Convertible debt securities				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Phillip MacLeod*
Company Secretary

Date: 31 July 2014

Print name: Phillip MacLeod

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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