

**ASX: FYI**

## **QUARTERLY REPORT FOR THE PERIOD ENDING 31<sup>st</sup> March 2017**

The Board of FYI Resources Limited (ASX: FYI) is pleased to present the following quarterly report for the period ending 31 March, 2017.

### **HIGHLIGHTS**

- ✓ **High level meetings with Joint Venture development partner**
- ✓ **Meeting with Laos Deputy Prime Minister, Dr Bounthong Chitmany**
- ✓ **Broader Southeast Asian potash opportunities reviewed**

### **REVIEW OF OPERATIONS**

#### **Potash Activities**

##### **Laos**

##### **Joint Venture Negotiation**

During the quarter, FYI and its legal team made a number of visits to Laos and Kunming (China) to continue discussions regarding the Sino-Lao potash project joint venture.

FYI and the management of the Sino-Lao potash project owner, YTH, continue to refine a common development strategy on the project and to explore various equity, expansion, production and capital expenditure options for the project.

The key negotiating points between the parties remain the joint venture structuring and the valuation of various components of the project.

Ultimately, the final decision on any joint venture agreement will be subject to approval from the Chinese State owned Assets Supervision and Administration Commission (SASAC). SASAC are charged with the responsibility of preserving and enhancing the value of state owned assets and have final oversight on the transaction terms and conditions.

##### **Due Diligence**

No field work was completed or site visits undertaken during the quarter whilst the high level joint venture discussions are being progressed – due diligence on the project remains unfinalised.

The Company did however, continue its internal reviews of the Sino-Lao project and assessing the extensive technical information to determine the array of possible development option schedules and capital requirements of the project in order to recommence operations.

The Company's Sino-Lao due diligence review is directed at verifying the deposit quality and to evaluate the project's overall development potential.

### **Meeting with Deputy Prime Minister of Laos**

FYI's Managing Director, Mr Roland Hill, met with the Deputy Prime Minister of Laos, Dr Bounthong Chitmany informally in Melbourne, Australia, with a number of other delegates involved in the mining and mining services sectors in Laos to discuss the various issues facing the industry and separately, private lobbying for FYI's potash interests in Laos.

## **Corporate**

FYI considers the SE Asian potash sector to be of world class standard. Appropriately, FYI continues to review potential commercial opportunities in the region.

Furthermore, FYI is continually introduced to project opportunities, not only in potash, but in other commodities. FYI will continue to review selected projects with the purpose of delivering value to the Company.

## **Current Quarter Activities and Objectives**

Objectives for the June 2017 quarter include:

- Progress the YTH joint venture discussions;
- Continuing the Sino-Lao due diligence;
- Reviewing of selected components of the database; and
- Metallurgical studies and process design in respect to the unusual deposit characteristics;

### **FYI Potash Capabilities**

FYI has aligned its development objectives with a number of key industry service groups which result in complimenting FYI's capacity for developing a major potash production project.

The partnerships with these specialist groups will complement the Company's development model from the exploration stage through to resource definition, mine scheduling and design, economic studies, mining, process engineering and off-take (marketing).

These relationships are also critical for the successful advancing and development of the Company's longer term potash strategy for Southeast Asia – particularly as a number of opportunities are drawing near to being finalised.

## About Potash

Potash is the common term used for a group of various mined and manufactured salts containing potassium minerals in water-soluble form that are used principally as agricultural fertilizers.

Potassium is an important plant and crop macro-nutrient along with nitrogen and phosphorus. Potash has been used since ancient history as a soil fertiliser which accounts for about 90% of its current use.

Potash is important for agriculture because it improves water retention, yield, nutrient value, taste, colour, texture and disease resistance of food crops. It has wide application to fruit and vegetables, rice, wheat and other grains, sugar, corn, soybeans, palm oil and cotton, all of which benefit from the nutrient's quality enhancing properties.

## About FYI

FYI is an ASX listed natural resources focused public company. The Company's principal objective is in the identification, exploration and development of high quality resource projects

The Company's current focus is on the assembling a portfolio of quality potash projects in Southeast Asia with the view to long term development and production. FYI is targeting shallow, thick, high grade deposits typically associated with the geology of the basin regions in Thailand and Laos.

The Board, management team and partner groups have a successful track record of project generation and delivery.

Further Information:

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## Interest in Mineral Tenements at 31 March 2017

Tenement	Location	Interest	Change in Interest During Quarter
WMM SPLs (6)	Thailand	100% (under application)	-
ESM SPLs (6)	Thailand	100% (under application)	-