FYI RESOURCES LIMITED

ABN 85 061 289 218

ANNUAL FINANCIAL REPORT 2020

Corporate Information

Directors	:	Edmund Babington Adrian Jessup David Sargeant
Managing Director	:	Roland Hill
Company Secretary	:	Phillip MacLeod
Registered Office	:	Registered Office and Principal Place of Business Unit 8-9, 88 Forrest Street Cottesloe WA 6011 Telephone: +61 6313 3920 Website: www.fyiresources.com.au
Auditor	:	HLB Mann Judd (WA) Partnership Level 4 130 Stirling Street Perth WA 6000
Share Registry	:	Automic Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000
Securities Exchanges:		ASX Limited Home Branch: Perth Code: FYI Frankfurt Stock Exchange Code: SDL Hamburg Stock Exchange Code: A0RDPF
ABN	:	85 061 289 218

Review of Operations

INTRODUCTION

FYI Resources Limited (FYI or the Company) is an ASX listed resources company with a focus on the exploration and development of strategic commodity projects. The Company has a corporate objective to advance its fully integrated and innovative high purity alumina (HPA) project and to be a dominant participant in the growth market applications such as LED's, sapphire glass, semiconductors as well as the rapidly emerging electric vehicle and static power storage.

High Purity Alumina

High purity alumina, defined as alumina having a grade equal or greater than 99.99% Al_2O_3, is a well sought after mineral due to its unique qualities and characteristics with diverse applications. HPA's chemical and physical properties make the product ideal for a number of "traditional" and new technology applications. The traditional uses include sapphire glass used for electronic screens such as smartphones, tablets and televisions, and substrates in LED's which provide a base demand. However, its use as the major mineral component in battery separators in electric vehicles and static power storage units is emerging as the high growth area for the product.

CORPORATE

FYI has secured an A$80 million equity financing facility to progress the Company's HPA development strategy. The equity will provide critical funding for the substantive development stages leading up to, and including, construction through to operation. The funding is a key catalyst for the Company's development objectives and significantly de-risks the project. The funding provides balance sheet strength and credibility when negotiating additional project financing and will also assist the FYI Board in the final investment decision.

Lead Agency

In September 2019, the Premier of WA, who is also the Minister for State Development, Jobs & Trade, granted the Company Lead Agency Service status. The Premier requested the Department of Jobs, Tourism, Science and Innovation, to provide lead agency services to the Company's HPA project. This status will assist FYI with advancing the HPA project development, timing of the required approvals and all other government liaison.

Future Battery Industry

Australian minerals are critical to the rapidly growing global battery technology revolution. Western Australia is at the forefront of the developments with the resources, innovation and expertise to enable Australia to seize this once in a generation, national opportunity to develop the next wave of battery industries. The Future Batteries Industry Cooperative Research Program (FBI-CRC) was established during FY2019 to coordinate Government and private sector funding as an independent centre where industry, government and researchers can come together to create the tools, technologies and skills to grow the role of Australia's battery technologies to increase our role in the global battery value chain.

FYI is a founding partner of the FBI-CRC which will provide FYI with access to all novel technology and applications generated and developed from the FBI-CRC via the associated research partners and directly and indirectly assist with the ongoing development and optimisation of the Company's HPA project.

PROJECT SUMMARY

FYI's primary assets are the technology, intellectual property and expertise developed in processing HPA from non-traditional feedstock and 100% owned Cadoux Kaolin Project located approximately 220kms northeast of Perth, Western Australia from which the feedstock can be sourced. The Company completed a definitive feasibility study (DFS) in March 2020.

Definitive Feasibility Study

The Company released a DFS in 11 March 2020. The study clearly demonstrated the quality of its HPA strategy with outstanding economic metrics and outlines the clear and logical pathway forward for FYI to develop an integrated HPA business in a favourable operating jurisdiction such as Western Australia.

FYI's HPA project could become a dominant vertically-integrated, long life producer of high quality, sought after high purity alumina.

NPV post tax (@10%)	US$543m
IRR	46%
Payback period (years) (post tax) (ramp up rate)	3.6
Exchange rate US$/A$	0.70
Life of Project (years)	25
Total Sales (initial 25 years) no escalation	US$4.7b

Total Project net operating cash flow (25 years)	US$2.4b
Annual EBITDA (average)	US$133m
Cash flow after finance and tax	US$88m
Shares on issue (as at publication DFS)	212,772,654
EPS after tax (per year)	$0.41
Capex (8,000 tpa)	US$189m
Capex/t (US$/t)	US$23,575
Life of Mine C1 costs, FOB Kwinana (US$/t)	US$6,217
Tonnes Processed (initial 25 years) (kt)	198
Production Target (kt) (initial 25 years) (DFS Study)	8
Proven + Probable Ore Reserves @ 24.8% Al_2O_3 (kt)	3,205
Ore Reserve life (years)	25
JORC Resources (million tonnes)	11.3

RESOURCES AND RESERVES

Ore Reserves

The Proven + Probable Ore Reserve for the project totals **3.2 Mt @ 24.8% Al_2O_3** as reported in accordance with the JORC Code (2012) and is all contained within the area of the Company owned Mining Lease (M70/1388) and Mining Proposal. This is an increase to the total Probable Ore Reserve of 2.9 Mt @ 24.5% Al_2O_3 reported at 30 June 2019.

Category	Ore	Al_2O_3	Fe_2O_3	K_2O	TiO_2
	kt	%	%	%	%
Proved	290	24.9%	1.1%	0.5%	0.8%
Probable	2,914	24.8%	1.1%	0.6%	0.9%
Total	3,205	24.8%	1.1%	0.5%	0.9%

Table: Ore Reserve as at 30 June 2020

Mineral Resources

The combined measured, indicated and inferred Mineral Resource Estimate (**MRE**) totalling **11.3 Mt @ 22.5% Al_2O_3** as at 30 June 2020 is set out in the table below. The Company reported a combined indicated and inferred MRE of 9.6 Mt @ 23.0 % Al_2O_3 at 30 June 2019.

	Resource Category	Volume Cubic Metres	Metric Tonnes (Dry)	Al_2O_3 Grade (%)	Fe2O3 Grade (%)	K_2O Grade (%)
Cadoux Kaolin	Measured	292,300	480,500	23.56	1.24	1.18
	Indicated	3,501,300	5,742,700	23.36	1.19	1.09
	Inferred	3,111,700	5,045,500	21.45	0.59	0.91
All Categories	**Total**	**6,905,300**	**11,268,700**	**22.51**	**0.92**	**1.02**

Table: Mineral Resource Estimate as at June 2020

Metallurgy

FYI is developing an innovative process flow sheet for producing high quality HPA from kaolin as an alternative refining pathway to the traditional method sourced from bauxite.

FYI's kaolin processing flowsheet for HPA has been designed based on extensive research and development and multiple stages of metallurgical testwork including two phases of feasibility studies (the PFS and the DFS).

To supporting and validate the studies, FYI designed and constructed a purpose-built pilot plant to replicate FYI's innovative HPA process flowsheet in detail. As a result of several successful trial operations, the pilot plant facility was able to demonstrate on a continuous "end to end" basis the materials handling, materials of construction and other process efficiencies and effectiveness of FYI's flowsheet through actual physical production of HPA.

FYI's process flowsheet was demonstrated through the pilot plant operation to provide confidence in the deliverability and operability of the three main processing stages – beneficiation, leach and precipitation / purification. The pilot plant comprehensively validated the operating and design parameters used in the various studies resulting in a well-designed and efficient flowsheet to achieve the targeted quality and 99.99% and 99.999% purity.

All analytical results of the various test work were verified by independent laboratory services.

Potash Project

FYI has identified Thailand and Laos as having world class geological settings for potash deposits and FYI holds potash concession applications in Thailand.

Cautionary Statement

Substance of DFS

The DFS referred to in this report is a study of the potential viability of the Cadoux Kaolin Project. It has been undertaken to understand the technical and economic viability of the Project. The DFS assumes as a 25-year Project life based only on Proved and Probable Ore Reserves (100%).

The DFS is based on the material assumptions outlined in the announcement dated 11 March 2020 and the appended summary of the DFS. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by this DFS will be achieved.

To achieve the range of outcomes indicated in the DFS, funding in the order of A$189 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

It is also possible that the Company could pursue other "value realisation" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project.

General and forward-looking statements

The contents of this document reflect various technical and economic conditions, assumptions and contingencies which are based on interpretations of current market conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly and without notice over relatively short periods of time. Consequently, actual results may vary from those detailed in this document.

Some statements in this document regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Such forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. When used in this document, words such as, but are not limited to, "*could*", "*planned*", "*estimated*", "*expect*", "*intend*", "*may*", "*potential*", "*should*", "*projected*", "*scheduled*", "*anticipates*", "*believes*", "*predict*", "*foresee*", "*proposed*", "*aim*", "*target*", "*opportunity*", "*nominal*", "*conceptual*" and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

The contents of this document are also subject to significant risks and uncertainties that include but are not limited those inherent in mine development and production, geological, mining, metallurgical and processing technical problems, the inability to obtain and maintain mine licenses, permits and other regulatory approvals required in connection with mining and processing operations, competition for among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of projects and acquisitions, changes in commodity prices and exchange rates, currency and interest rate fluctuations and other adverse economic conditions, the potential inability to market and sell products, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, environmental, native title, heritage, taxation and other legal problems, the potential inability to secure adequate financing and management's potential inability to anticipate and manage the foregoing factors and risks.

All persons should consider seeking appropriate professional legal, financial and taxation advice in reviewing this document and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of this document nor any information contained in this document or subsequently communicated to any person in connection with this document is, or should be taken as, constituting the giving of investment or financial advice to any person. This document does not take into account the individual investment objective, financial or tax situation or particular needs of any person.

Competent Persons' Statements

Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Mr. Steve Craig, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Steve Craig is a full-time employee of Orelogy Consulting Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The information is extracted from the Ore Reserve announcement released 29 October 2018 and is available to view on the Company's website at www.fyiresources.com.au .

Mineral Resources
The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw, under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. He is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves". The information is extracted from the PFS announcement dated 25 September 2018 and is available to view on the Company's website at www.fyiresources.com.au .

Metallurgy
The information in this report that relates to metallurgy and metallurgical test work is based on information reviewed and compiled by Mr Daryl Evans, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Evans is an employee of Independent Metallurgical Operations Pty Ltd, and is a contractor to FYI. Mr Evans has sufficient experience that is relevant to this style of processing and type of deposit under consideration, and to the activity that he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Announcements in respect to metallurgical results are available to view on the Company's website at www.fyiresources.com.au .

Mineral Resource and Ore Reserve Governance and Internal Controls
FYI ensures that the MRE and ORE quoted is subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of MRE and ORE procedures and results are carried out through an independent technical review team which is comprised of competent and qualified professionals. These reviews have not identified any material issues. FYI reports its MRE and ORE on an annual basis in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Competent Persons named by FYI are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

Directors' Report

Your Directors submit their report for the year ended 30 June 2020.

DIRECTORS

The names and details of the Directors of the Company in office during the financial year and until the date of this report are listed below. Directors were in office for this entire period unless otherwise stated.

Mr Edmund Babington (Non-Executive Chairman)

Mr Babington is a Director of WA commercial law firm, Lyons Babington Lawyers, and is a member of the resources and energy law association, AMPLA Ltd and is a WA committee member of the Australian Institute of Business Brokers. He is experienced in franchising, mining and resources, and corporations law in particular relating to capital raisings, stock exchange requirements, corporate governance and compliance.

Mr Babington has been a director of the following listed Companies during the past three years.

Company	Position	Appointed	Ceased
Hawkley Oil & Gas Ltd	Non- Executive Director	16/03/2017	28/11/2018
Empire Resources Ltd	Alternate Director	10/07/2017	1/08/2018

Mr David Sargeant (Non-Executive)

Mr Sargeant holds a Bachelor of Science degree in economic geology from the University of Sydney and has more than 40 years experience as a geologist, consultant and company director. As such, he has been involved in numerous mineral exploration, ore deposit evaluation and mining development projects and is a member of AusIMM and the Geological Society of Australia.

During his career, Mr Sargeant has held a range of senior positions, including that of senior geologist with Newmont Pty Ltd and senior supervisory geologist with Esso Australia Ltd at the time of the Harbour Lights Gold Mine discovery and development. Mr Sargeant was the first chief geologist at Telfer Gold Mine during exploration, development and production at that project. In addition, he was exploration manager for the Adelaide Petroleum NL group of companies, manager of resources development for Sabminco NL and a technical director of Western Reefs Limited during the period in which that company became a successful producer at the Dalgaranga Gold Project.

Mr Sargeant successfully managed an exploration and geological consulting business for 19 years, which included the formation and management of platinum and copper-gold companies in Botswana until they were taken over during 2005 to 2007 period by United Kingdom listed public companies. He was the principal promoter in forming Empire Resources Limited and was the Managing Director until 4 July 2019.

Mr Sargeant has been a director of the following listed Company during the past three years.

Company	Position	Appointed	Ceased
Empire Resources Ltd	Non-Executive Director	13/04/2000	15/08/2020

Mr Adrian Jessup (Non-Executive)

Mr Jessup 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.

For the last 16 years, Mr Jessup has operated a geological consulting company. During that time, he was a founding director of publicly listed companies Empire Resources Limited and Sylvania Resources Limited. He was a non-executive director of Empire Resources Ltd. He was also a director of two mineral exploration companies based in southern Africa that were subsequently acquired by United Kingdom listed public companies. Prior to commencing consulting, Mr Jessup was managing director of Giralia Resources NL for eight years, from the company's inception in 1987. Previously, he had worked for AMAX Exploration Inc., as a senior geologist and as regional manager in charge of that company's mineral exploration in Western Australia.

Mr Jessup has been a director of the following listed Company during the past three years.

Company	Position	Appointed	Ceased
Empire Resources Ltd	Non-Executive Director	15/08/2003	17/07/2018

Directors' Report

Mr Roland Hill (Managing Director)

Mr Hill holds a Bachelor of Science and Bachelor of Commerce from Curtin University. Mr Hill was appointed to the position of chief executive officer on 4 February 2011 and to the position of Managing Director on 1 July 2014. Mr Hill has extensive resource industry and investment, finance and funds management experience. He has been directly associated with the mining and exploration sector for over 18 years. Mr Hill has not acted as a director of any other listed company within the past three years.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

At the date of this report the interests of the directors in the shares and options of the Company are:

	Ordinary Shares		Options	
Director	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
Edmund Babington	428,571	829,807	500,000	-
David Sargeant	-	5,000,000	-	500,000
Adrian Jessup	150,000	725,000	-	500,000
Roland Hill	9,293,681	6,617,951	750,000	-

At the date of this report unissued ordinary shares or interest of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option	Issue Status
27 November 2018	2,250,000	$0.106	26 November 2020	Issued
28 June 2019	8,146,600	$0.100	31 July 2021	Issued
10 March 2020	23,000,000	$0.150	5 March 2024	Unissued[1]
10 March 2020	23,700,000	$0.150	5 March 2024	Unissued and subject to shareholder approval[1]

[1] to be issued in relation to the A$80 million equity financing

As at the date of this report details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of options are:

Date options granted	Number of shares issued	Exercise price of option	Amount paid for the shares
16 September 2020	600,000	$0.100	$60,000
22 September 2020	150,000	$0.100	$15,000

COMPANY SECRETARY

Mr Phillip MacLeod, B.Bus, ASA, FGIA , MAICD, was appointed to the position of Company Secretary on 19 May 2008. Mr MacLeod has over 20 years commercial experience and has held the position of Company Secretary with listed public companies since 1995.

CORPORATE INFORMATION

FYI Resources Limited is a company limited by shares incorporated and domiciled in Australia.

PRINCIPAL ACTIVITY

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

RESULTS OF OPERATIONS

The loss after income tax for the financial year was $2,102,220 (2019: $3,200,829).

DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend payment of a dividend.

Directors' Report

REVIEW OF OPERATIONS

Detailed comments on operations are included separately in this annual report under the Review of Operations.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company that occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 20 August 2020, the Company issued 21,666,666 shares at 6 cents raising $1,300,000.

On 16 September 2020, 600,000 unlisted options expiring 31 July 2021 were exercised at 10 cents each raising $60,000. On 23 September 2020, 1,200,000 unlisted options expiring 31 July 2021 were exercised at 10 cents each raising $120,000.

On 22 September 2020, 23,000,000 unlisted options expiring 5 March 2024 and exercisable at 15 cents each were issued pursuant to the terms of the equity financing facility announced to ASX on 11 March 2020.

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group, and the expected results of those operations in future financial years, as the Directors believe that doing so would be speculative and prejudicial to the interests of the Group.

ENVIRONMENTAL REGULATION

The Group is not aware of any breaches in relation to environmental matters.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the numbers of meetings attended by each director were as follows:

Director	Directors' Meetings	
	A	B
Edmund Babington	4	4
David Sargeant	4	4
Adrian Jessup	4	4
Roland Hill	4	4

A - Meetings eligible to attend

B - Meetings attended

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification
The Company has agreed to indemnify all the directors and the Company Secretary who have held office in the Company during this financial year, against all liabilities to another person (other than the Company or its related body corporate) that may arise from their position as a director or officer of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance Premiums
In July 2020, the Company has paid insurance premiums of $18,150 (2019: $16,032) in respect of directors and officers liability and legal expenses insurance contracts, for current and former directors and officers, including executive officers of the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving the wilful breach of duty or improper use of information or position to gain a personal advantage.

Directors' Report

REMUNERATION REPORT (Audited)

This Remuneration Report consists of the following sections:

A. Principles of Remuneration
B. Details of Remuneration
C. Equity holdings

A. Principles of Remuneration

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company and includes the executives in the Company receiving the highest remunerations.

For the purposes of this report, the term "executive" encompasses the Directors and Managing Director of the company.

Details of Key Management Personnel for the year ended 30 June 2020

Directors

Name	**Position**
E Babington	Chairman (Non-Executive)
D Sargeant	Director (Non-Executive)
A Jessup	Director (Non-Executive)
R Hill	Managing Director

Remuneration Philosophy

This section details the remuneration arrangements in place for the executives and directors of FYI Resources Limited.

The broad remuneration philosophy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide any executive directors and executives with a remuneration package consisting of components that reflect the person's responsibilities, duties, personal and corporate performance.

At this time, no part of an executive's remuneration package is directly dependent on Company performance.

To this end FYI Resources follows the following principles:

- Provide competitive rewards.
- That a part of the senior executive's remuneration may be "at risk" and is linked to pre-determined achievements.
- That any variable part of executive remuneration has appropriate and demanding performance hurdles attached.

Remuneration Committee

FYI Resources does not have a remuneration committee. The remuneration of non-executive directors is determined by the Board as a whole having regard to industry standards of similar sized entities and the financial resources of the Company.

Each director receives a fee for being a director of the Company, with additional fees considered in recognition of specific duties carried out by each director. Fees paid to Non-Executive Directors are reviewed periodically.

The Company did not engage a remuneration consultant during the year for executive or non-executive remuneration.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with an ability to attract and retain directors of suitable calibre, whilst incurring a cost that is acceptable to the shareholders.

The constitution and the ASX listing rules specify that the aggregate remuneration of Non-Executive directors shall be determined from time to time by general meeting of shareholders.

REMUNERATION REPORT (Cont.)

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders. An aggregate amount of $300,000 was approved by shareholders at the Annual General Meeting held in November 2008.

The remuneration of non-executive directors for the periods ending 30 June 2020 and 30 June 2019 is detailed in Section B.

Details of Remuneration.

Senior Manager and Executive Director Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Remuneration packaging contains the following key elements:

- Fixed remuneration - fixed components of salaries, fee and non-monetary benefits.
- Variable remuneration - share options.
- Post employment benefits - superannuation.

The Chairman, subject to Board approval, generally sets remuneration of any executive directors and the Chief Executive Officer.

Fixed Remuneration

The level of fixed remuneration for executives is set so as to provide a base level of remuneration which is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually.

Variable Remuneration

Short term incentives (STI) may be linked to achievement of the Company's operational targets if the relevant executives achieve the target. STI is not linked to the Company's prevailing share price or results as the Company is not at a profitable stage of operations.

The Directors, subject to shareholder approval, and executives are eligible to participate in the Company's share option plan whereby options may be granted at an exercise price above the prevailing share price. This premium in conversion price, coupled with an appropriate vesting period, provides a long term incentive (LTI) whereby directors and executives will benefit only if there is a substantial improvement in the Company's share price. The number of options granted to each director and executive is determined by the Board based on the Company's and the eligible participant's performance. The grant of options is not linked to the Company's financial results, as the Company is not at a profitable stage of operations.

The Company does not have a policy for Directors to hedge their equity positions.

Employment contracts

In January 2019, the Company entered into a consultancy services agreement with Capstone Capital Pty Ltd (a Company associated with Mr Roland Hill) (Capstone) for the term of 36 months, for the provision of services by Mr Hill, acting in the capacity of FYI's Managing Director, overseeing the day to day administration and management of the business. The monthly fee payable to Capstone is $16,500 plus GST in arrears. The Company or Capstone can terminate this agreement without cause with 3 months written notice.

Directors' Report

REMUNERATION REPORT (Cont.)

B. Details of remuneration

The remuneration for each director and each of the executive officers of the Company receiving remuneration during the year was as follows:

2020	Short Term			Post Employment	Share Based Payment		% performance based
Specified Directors	Consulting Fees $	Salary $	Directors Fees $	Super $	Options $	Total $	
E Babington (Non-Executive)	-	-	48,000	4,560	-	52,560	0%
D Sargeant (Non-Executive)	-	-	30,000	-	-	30,000	0%
A Jessup (Non-Executive)	-	-	30,000	-	-	30,000	0%
R Hill (Managing Director)	198,000	-	-	-	-	198,000	0%
	198,000	-	108,000	4,560	-	310,560	0%

2019	Short Term			Post Employment	Share Based Payment		% performance based
Specified Directors	Consulting Fees $	Salary $	Directors Fees $	Super $	Options $	Total $	
E Babington (Non-Executive)	-	-	48,000	4,560	18,537	71,097	0%
D Sargeant (Non-Executive)	-	-	30,000	-	18,537	48,537	0%
A Jessup (Non-Executive)	-	-	30,000	-	18,537	48,537	0%
R Hill (Managing Director)	189,000	-	-	-	27,807	216,807	0%
	189,000	-	108,000	4,560	83,418	384,978	0%

C. Equity Holdings

The Company granted no options as compensation and the Directors exercised no options during the year.

Option Holdings of Directors

2020	Balance at beginning of year	Granted as Remuneration	Options Exercised	Options lapsed	Balance at end of year	Vested at 30 June 2020 Total	Exercisable	Not Exercisable
Directors								
E Babington	500,000	-	-	-	500,000	500,000	500,000	-
D Sargeant	500,000	-	-	-	500,000	500,000	500,000	-
A Jessup	500,000	-	-	-	500,000	500,000	500,000	-
R Hill	750,000	-	-	-	750,000	750,000	750,000	-
Total	2,250,000	-	-	-	2,250,000	2,250,000	2,250,000	-

Directors' Report

REMUNERATION REPORT (Cont.)

Share Holdings of Directors

2020	Balance at beginning of year	Issued as Remuneration	Issued on Exercise of Options	Acquistions	Balance at end of year
Directors					
E Babington	1,258,378	-	-	-	1,258,378
D Sargeant	4,747,129	-	-	252,871	5,000,000
A Jessup	875,000	-	-	-	875,000
R Hill	13,711,632	-	-	1,200,000	14,911,632
Total	20,592,139	-	-	1,452,871	22,045,010

D. Transactions with Directors

	2020 $	2019 $
Other transactions with Directors		
The Director, Mr Babington is a director of Lyons Babington Lawyers which has provided legal services to the company on normal commercial terms. This excludes fees included as remuneration noted under section B of the Directors Report.	**18,102**	6,433
	18,102	6,433

Refer to note 17 for amounts owing to directors at balance date.

AUDITORS INDEPENDENCE AND NON-AUDIT SERVICES

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 audit of the annual report. This Independence Declaration is set out on page 13 and forms part of this directors' report for the year ended 30 June 2020.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of FYI Resources Ltd support the principles of corporate governance. The Company's Corporate Governance Statement can be found on the Company's website at www.fyiresources.com.au .

Signed at Perth this 29th day of September 2020

Roland Hill
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of FYI Resources Limited for the year ended 30 June 2020, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**D I Buckley**
29 September 2020	**Partner**

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

Directors' Declaration

1. In the opinion of the directors of FYI Resources Limited ("the Company"):

   a) the financial statements, notes and the remuneration disclosures (contained in sections A to D of the remuneration report in the Directors' report), are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(c);

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

2. The directors have been given the declarations pursuant to Section 295A of the *Corporation Act 2001* for the financial year ended 30 June 2020.

Dated this 29th day of September 2020.

Signed in accordance with a resolution of the directors:

Roland Hill
Managing Director

Statement of Comprehensive Income

For The Year Ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Continuing Operations			
Australian Government assistance		**15,000**	-
Interest income		**1,304**	17,571
Exploration and evaluation expenditure	**2**	**(1,848,839)**	(3,254,597)
Amortisation expense		**(285,040)**	-
ASX fees		**(32,957)**	(38,324)
Share based payment credit / (expense)		**4,173**	(83,418)
Accounting and consulting fees		**(289,339)**	(179,041)
Other administration expenses		**(65,063)**	(81,709)
Directors fees		**(310,560)**	(301,560)
Share registry expenses		**(15,417)**	(8,957)
Rent		**-**	(4,712)
Legal expenses		**(26,509)**	(4,802)
Consulting fees		**(71,979)**	(99,029)
Interest expense		**(101,558)**	(11,177)
Loss before income tax expense		**(3,026,784)**	(4,049,755)
Income tax benefit	**3**	**924,564**	848,926
Net loss for the year		**(2,102,220)**	(3,200,829)
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences from translation of foreign operations		**(1,402)**	(3,299)
Other comprehensive loss		**(1,402)**	(3,299)
Total comprehensive loss		**(2,103,622)**	(3,204,128)
Loss for the year is attributable to:			
Owners of FYI Resources Ltd		**(2,078,042)**	(3,167,726)
Non-controlling interests		**(24,178)**	(33,103)
		(2,102,220)	(3,200,829)
Total comprehensive loss for the year is attributable to:			
Owners of FYI Resources Ltd		**(2,079,444)**	(3,171,025)
Non-controlling interests		**(24,178)**	(33,103)
		(2,103,622)	(3,204,128)
Basic and diluted loss per share (cents per share)	**20**	**(0.98)**	(1.66)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As At 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
CURRENT ASSETS			
Cash and cash equivalents	**18**	**107,893**	940,088
Trade and other receivables	**4**	**1,126,382**	977,907
Other assets	**5**	**920,705**	-
Total Current Assets		**2,154,980**	1,917,995
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	**6**	**3,533,332**	3,533,332
Other assets	**5**	**1,556,372**	-
Total Non-Current Assets		**5,089,704**	3,533,332
TOTAL ASSETS		**7,244,684**	5,451,327
CURRENT LIABILITIES			
Trade and other payables	**7**	**1,348,117**	1,134,425
Borrowings	**8**	**826,661**	309,677
Other financial liabilities	**9**	**1,600,000**	-
Total Current Liabilities		**3,774,778**	1,444,102
TOTAL LIABILITIES		**3,774,778**	1,444,102
NET ASSETS		**3,469,906**	4,007,225
EQUITY			
Issued capital	**10**	**37,899,646**	37,495,460
Reserves	**11**	**2,789,865**	1,629,150
Accumulated losses		**(37,015,866)**	(34,937,824)
Equity attributable to owners of the parent		**3,673,645**	4,186,786
Non-controlling interests		**(203,739)**	(179,561)
TOTAL EQUITY		**3,469,906**	4,007,225

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year Ended 30 June 2020

	Consolidated						
	Issued Capital	Accumulated Losses	Share-based payments reserve	Option premium reserve	Foreign currency translation reserve	Non-controlling interests	Total
	$	$	$	$	$	$	$
Balance at 1 July 2018	35,880,361	(31,770,098)	1,520,425	834,677	3,929	(146,458)	6,322,836
Loss for the period	-	(3,167,726)	-	-	-	(33,103)	(3,200,829)
Other comprehensive loss	-	-	-	-	(3,299)	-	(3,299)
Total comprehensive loss for the period	-	(3,167,726)	-	-	(3,299)	(33,103)	(3,204,128)
Equity transactions:							
Shares issued net of transactions costs	1,615,099	-	(810,000)	-	-	-	805,099
Share-based payments	-	-	83,418	-	-	-	83,418
Balance at 30 June 2019	37,495,460	(34,937,824)	793,843	834,677	630	(179,561)	4,007,225
Balance at 1 July 2019	**37,495,460**	**(34,937,824)**	**793,843**	**834,677**	**630**	**(179,561)**	**4,007,225**
Loss for the period	**-**	**(2,078,042)**	**-**	**-**	**-**	**(24,178)**	**(2,102,220)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(1,402)**	**-**	**(1,402)**
Total comprehensive loss for the period	**-**	**(2,078,042)**	**-**	**-**	**(1,402)**	**(24,178)**	**(2,103,622)**
Equity transactions:							
Shares issued net of transactions costs	**404,186**	**-**	**-**	**-**	**-**	**-**	**404,186**
Share-based payments	**-**	**-**	**1,162,117**	**-**	**-**	**-**	**1,162,117**
Balance at 30 June 2020	**37,899,646**	**(37,015,866)**	**1,955,960**	**834,677**	**(772)**	**(203,739)**	**3,469,906**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For The Year Ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Cash flows from operating activities			
Australian Government assistance		**10,000**	-
Payments to suppliers and employees		**(509,077)**	(817,190)
Payments for exploration and evaluation		**(1,519,959)**	(2,581,374)
Finance costs		**(36,074)**	-
Interest received		**1,304**	19,660
Other - R&D tax offset		**777,631**	321,295
Net cash outflow from operating activities	**18(b)**	**(1,276,175)**	(3,057,609)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	866,660
Share issue costs		**(4,770)**	(56,550)
Proceeds from borrowings		**998,750**	298,500
Repayment of borrowings		**(550,000)**	-
Net cash inflow from financing activities		**443,980**	1,108,610
Net decrease in cash held		**(832,195)**	(1,948,999)
Cash at the beginning of the period		**940,088**	2,889,087
Cash at the end of the period	**18(a)**	**107,893**	940,088

The above statement of cash flows should be read in conjunction with the accompanying notes.

CORPORATE INFORMATION

The financial report of FYI Resources Limited ("the Company" or "Group") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 29 September 2020. FYI Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Company during the financial year are mineral exploration and evaluation of potash projects in south east Asia and a kaolin to HPA project in Western Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards (including Australian Interpretations). The Group's accounting policies have been consistently applied with prior years, unless otherwise stated.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements are for the Group consisting of FYI Resources Limited and its subsidiaries.

b) Adoption of New and Revised Accounting Standards

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2019. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations of the Group, and therefore, no material change is necessary to Group accounting policies. This included consideration of AASB 16. The Company has no leases over 12 months.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company. and therefore, no change necessary to Company accounting policies.

c) Statement of compliance

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

d) Significant Accounting Judgements, Estimates and Assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions
The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuer using a Black and Scholes model, using the assumptions detailed in note 15.

Exploration and evaluation expenditure
The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence or reserves.

e) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights in an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

f) Foreign Currency Translation

Both the functional and presentation currency of FYI Resources Limited and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operation, West Mekong Minerals Ltd, is Thai Baht (BHT).

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of FYI Resources Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to the partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

g) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation
FYI Resources Ltd and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

FYI Resources Ltd recognised its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

i) Revenue

Revenue is recognised to the extent that control has passed and it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Grant income is recognised when it is received or when the right to receive the payment is established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

j) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Estimated useful life
Plant and equipment	4 – 5 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k) Exploration and Evaluation Expenditure

Exploration and evaluation costs, excluding the costs of acquiring licences, are expensed as incurred. Acquisition costs will be assessed on a case by case basis and, if appropriate, they will be capitalised. These acquisition costs are only carried forward only if the rights to tenure of the area of interest are current and either:

- they are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or

- the activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing

Accumulated acquisition costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

l) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are carried at amortised cost using the effective interest method less impairment losses.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

m) Share-based Payments

Share-based compensation benefits are provided to directors and executives. The fair value of options granted to directors and executives is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period. The fair value is measured at grant date and recognised over the period during which the directors and/or executives becomes unconditionally entitled to the options.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Share-based payments provided to parties other than employees are measured at the fair value of the services or goods received, unless the fair value cannot be measured reliably. If the Company cannot reliably estimate the services or goods received, the Company shall measure their value, and the corresponding increase in equity, indirectly by reference to the fair value of the equity instruments granted.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

n) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

o) Loss per Share

Basic loss per share is calculated as net result attributable to the Company, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net result attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of
- potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

q) Impairment of Assets

At each balance date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset’s value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the statement of comprehensive income.

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

r) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

s) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of FYI Resources Ltd.

t) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

u) Going concern

As disclosed in the Statement of Comprehensive Income, the Group recorded operating losses of $2,102,220 (2019: $3,200,829) and as disclosed in the Statement of Cash Flows, the Group recorded cash outflows from operating activities of $1,276,175 (2019: $3,057,609) and cash inflows from financing activities of $443,980 (2019: $1,108,610). 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 deficiency of $1,619,798 (2019 surplus: $473,893) at balance date, exploration expenditure commitments for the next 12 months of $82,932 (2019: $236,368), consultancy commitments for the next 12 months of $198,000 (2019: $198,000) and other commitments for the next 12 months of $Nil (2019: $45,000) as disclosed in note 13,

- in March 2020, the Group 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,

- subsequent to year end, the Company issued 21,666,666 shares at 6 cents, raising $1,300,000,

- 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 2021 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 2021 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.

2. EXPENSES

	Consolidated	
	2020 $	2019 $
Exploration and evaluation expenditure		
Laos exploration	**47,424**	67,014
HPA tenement expenses	**13,421**	18,504
HPA drilling	**-**	84,348
HPA metallurgy and assay	**472,300**	927,131
HPA field supplies	**-**	3,057
HPA geologist	**-**	72,556
HPA product development	**197,167**	393,483
HPA engineering	**398,265**	409,234
HPA Pilot plant	**611,807**	1,093,591
HPA Rockingham Lease amortisation	**44,877**	-
Other exploration expense	**63,578**	185,679
	1,848,839	3,254,597

3. INCOME TAXES

	Consolidated	
	2020 $	2019 $
Accounting loss before tax	**(3,026,784)**	(4,049,755)
Income tax benefit at 30% (2019: 30%)	**908,035**	1,214,927
Tax effect of:		
Non-deductible expenses	**(423,439)**	(487,171)
Share based payment	**1,249**	(25,025)
Fines	**(3)**	-
Capital gain/loss on disposal of assets	**-**	49,615
Deductible temporary differences (net)	**(170,876)**	72,315
Non-assessable temporary differences	**-**	(773)
Captial raising costs	**27,706**	33,961
Deferred tax asset not recognised	**(342,672)**	(857,849)
R&D tax incentive	**924,564**	848,926
Income tax benefit attributable to loss from ordinary activities before tax	**924,564**	848,926

Unrecognised deferred tax balances	Consolidated	
	2020 $	2019 $
Tax losses carried forward	**12,617,187**	12,378,763
Potential Income tax benefit at 30% (2019: 30%)	**3,785,156**	3,713,629

3. INCOME TAXES CONTINUED

These deferred tax assets will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(iii) No changes in tax legislation adversely affect the Company in realising the benefit.

	Consolidated	
	2020 $	2019 $
Recognised deferred tax assets and liabilities		
Deferred tax assets and liabilities are attributable to the following:		
Capital raising costs	**70,746**	102,104
Doubtful debts	**2,435**	2,435
Lease Option	**13,463**	-
Prepayments	**(10,176)**	-
Borrowing Costs	**39,544**	-
Depreciable Assets	**207,430**	-
Facility Costs	**(384,613)**	-
Tenements	**(181,216)**	(110,550)
Provision for expenses	**21,962**	8,478
Tax losses	**3,785,156**	3,713,629
Deferred tax assets offset against deferred tax liabilities	**-**	-
Deferred tax liabilities offset against deferred tax assets	**-**	-
Deferred tax assets not recognised[1]	**(3,564,731)**	(3,716,096)
Net deferred tax asset/(liabilities)	**-**	-

[1] to the extent of offsetting deferred tax liabililites.

4. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020 $	2019 $
Current		
Trade receivables	**8,116**	8,116
Other receivables	**162,821**	199,690
Allowance for impairment	**(8,116)**	(8,116)
	162,821	199,690
Prepaid expenses	**33,997**	586
R&D tax receivable	**929,564**	777,631
	1,126,382	977,907

Trade and sundry receivables are non interest bearing and are generally received on 30-60 day terms.

There is no expected credit loss in relation to the trade and other receivables at balance date other than that disclosed in the allowance for impairment.

5. OTHER ASSETS

	Consolidated 2020 $	Consolidated 2019 $
Current		
Facility costs	**920,705**	-
	920,705	-
Non-current		
Facility costs	**1,841,412**	-
Accumulated Amortisation	**(285,040)**	-
	1,556,372	-

In March 2020, the Group 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 (GEM). The Company will pay $1,600,000 (note 9) and issue to GEM or its nominee 23 million options, Tranche 1, with an exercise price of 15 cents each expiring 5 March 2024. In addition, the Company will issue to GEM or its nominee, following shareholder approval, 23.7 million options, Tranche 2, with an exercise price of 15 cents each expiring 5 March 2024. Other assets are the $1,600,000 and the value of these share based payments with amortisation over three years.

6. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2020 $	Consolidated 2019 $
Balance at beginning of year	**3,533,332**	3,533,332
Balance at end of year	**3,533,332**	3,533,332

On 26 September 2017, FYI Resources Ltd agreed to progress with the purchase of 100% of the shares in Kokardine Kaolin Pty Ltd, including its granted exploration tenements, rights, title and interests of the entity.

The consideration for the purchase is the issue of three tranches of shares:

- Tranche 1 is the issue of 21,428,571 shares, which occurred on 29 November 2017;
- Tranche 2 is the issue of 12,500,000 shares, which occurred on 20 February 2018; and
- Tranche 3 is the issue of 10,000,000 shares, which occurred on 12 February 2019.

The fair value of share consideration is $0.081 per share valued using the spot price of the Company, when the Company had rights to the asset.

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.

Notes to the Financial Statements
For the Year ended 30 June 2020

7. TRADE AND OTHER PAYABLES

	Consolidated	
	2020 $	2019 $
Trade and other payables	**965,032**	925,392
Director related payables (refer note 17)	**311,770**	163,900
Accruals	**71,315**	45,133
	1,348,117	1,134,425

Trade payables are non-interest bearing and most suppliers have 30 day terms.

8. BORROWINGS

	Consolidated	
	2020 $	2019 $
Borrowings	**826,661**	309,677
	826,661	309,677
Changes in liabilities arising from financing activities		
At start of year	**309,677**	-
Net cash from financing activities	**998,750**	298,500
Finance costs incurred	**104,308**	11,177
Repayment of borrowings	**(550,000)**	-
Finance costs paid	**(36,074)**	-
Balance at end of year	**826,661**	309,677

The Company entered into an agreement with Innovative Technology Funding Pty Ltd to borrow an advance of up to $1,100,000 at the applicable interest rate of 15% per annum. The interest is capitalised on a monthly basis, in arrears. At 30 June 2020, 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.

9. OTHER FINANCIAL LIABILITIES

	Consolidated	
	2020 $	2019 $
Promissory Note	**1,600,000**	-
	1,600,000	-

In March 2020, the Group 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. The Company will pay a fee of 2% of the equity commitment within a year of entering the financing facility.

Notes to the Financial Statements
For the Year ended 30 June 2020

10. ISSUED CAPITAL

	Consolidated 2020 $	Consolidated 2019 $
221,095,989 (30 June 2019: 212,772,654) fully paid ordinary shares	**37,899,646**	37,495,460

(i) Ordinary shares - number	Consolidated 2020 No.	Consolidated 2019 No.
Balance at beginning of year	**212,772,654**	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 [1]	-	10,000,000
16,293,200 shares issued at 5 cents per share on 28 June 2019	-	16,293,200
8,323,335 shares issued at 5 cents per share on 15 June 2020 [2]	**8,323,335**	-
Balance at end of year	**221,095,989**	212,772,654

[1] Issued as the third tranche consideration for the purchase of Kokardine Kaolin Pty Ltd as approved by shareholders on 29 November 2017.

[2] Issued in consideration for services provided to the Company.

(ii) Ordinary shares – value	Consolidated 2020 $	Consolidated 2019 $
Balance at beginning of year	**37,495,460**	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
8,323,335 shares issued at 5 cents per share on 15 June 2020	**407,844**	-
Costs of shares issued	**(3,658)**	(61,561)
Balance at end of year	**37,899,646**	37,495,460

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the Financial Statements
For the Year ended 30 June 2020

10. ISSUED CAPITAL CONTINUED

	Consolidated	
Options - number	2020 No.	2019 No.
Balance at beginning of year	**12,396,600**	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
Expiry of options 4 April 2020	**(2,000,000)**	-
Balance of options issued at end of year	**10,396,600**	12,396,600
Options granted 10 March 2020 - unissued	**23,000,000**	-
Options granted 10 March 2020 - unissued and subject to shareholder approval	**23,700,000**	-
Balance of options issued and unissued at end of year	**57,096,600**	12,396,600

Option holders do not have any rights, by virtue of their option holding, to vote at a meeting of the Company.

Share Options

For details of the share based payment option scheme under which options to subscribe for the Company shares are granted to executives and officers, refer to note 15.

11. RESERVES

	Consolidated	
	2020 $	2019 $
Share-based premium reserve	**1,955,960**	793,843
Option premium reserve	**834,677**	834,677
Foreign currency translation reserve	**(772)**	630
Reserves	**2,789,865**	1,629,150

	Consolidated	
	2020 $	2019 $
Reserves comprise the following:		
Share-based premium reserve		
At start of year	**793,843**	1,520,425
Share based payment - options	**-**	83,418
10,000,000 shares issued at 8.1 cents per share on 12 February 2019 issued as the third tranche	**-**	(810,000)
Share based payment - unissued options	**1,162,117**	-
Balance at end of year	**1,955,960**	793,843

11. RESERVES CONTINUED

	Consolidated	
	2020 $	2019 $
Foreign currency translation reserve		
At start of year	**630**	3,929
Currency translation differences	**(1,402)**	(3,299)
Balance at end of year	**(772)**	630

Nature and purpose of reserves

Share-based payment reserve

The share based payments reserve is used to record the value of share based payments. The reserve includes grant of options or rights over shares to directors and employees, including key management personnel, as part of their remuneration and the acquisition of assets. The reserve also includes unissued options to GEM, as part of their fee for the $80 million equity funding facility.

Option premium reserve

The option premium reserve is used to record premiums received when options are issued to shareholders at a premium.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of loans to a foreign subsidiary that are expected to be repaid in the long term and the translation of the financial statements of a foreign subsidiary.

12. SEGMENT INFORMATION

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 Company 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 Company considers its business operations in mineral exploration to be its primary reporting function.

Notes to the Financial Statements
For the Year ended 30 June 2020

12. SEGMENT INFORMATION CONTINUED

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the years ended 30 June 2020 and 30 June 2019.

	Continuing Operations			
	High Purity Alumina Exploration and Evaluation Australia $	Potash Exploration and Evaluation Asia $	Unallocated Items $	Total $
Year ended 30 June 2020				
Other income				
Australian Government assistance	**-**	**-**	**15,000**	**15,000**
Segment net operating loss after tax	**(1,902,973)**	**(47,424)**	**(151,823)**	**(2,102,220)**
Interest and other revenue	**-**	**-**	**1,304**	**1,304**
Income tax benefit/(expense)	**924,564**	**-**	**-**	**924,564**
Segment assets	**6,025,632**	**4,623**	**1,214,429**	**7,244,684**
Segment liabilities	**3,325,534**	**51,864**	**397,380**	**3,774,778**
Cashflow information				
Net cash used in operating activities	**(1,518,883)**	**(1,076)**	**243,784**	**(1,276,175)**
Net cash provided by investing activities	**-**	**-**	**-**	**-**
Net cash provided by financing activities	**448,750**	**-**	**(4,770)**	**443,980**

	Continuing Operations			
	High Purity Alumina Exploration and Evaluation Australia $	Potash Exploration and Evaluation Asia $	Unallocated Items $	Total $
Year ended 30 June 2019				
Segment net operating loss after tax	(3,198,715)	(67,059)	64,945	(3,200,829)
Interest and other revenue	-	486	17,085	17,571
Income tax benefit/(expense)	848,926	-	-	848,926
Segment assets	3,533,432	5,206	1,912,689	5,451,327
Segment liabilities	848,636	46,849	548,617	1,444,102
Cashflow information				
Net cash used in operating activities	(2,530,740)	(50,634)	(476,235)	(3,057,609)
Net cash provided by investing activities	-	-	-	-
Net cash provided by financing activities	298,500	-	810,110	1,108,610

13. EXPENDITURE COMMITMENTS

	Consolidated	
	2020 $	2019 $
(i) Expenditure Commitments		
Exploration Tenements		
In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements and are payable:		
- not later than 12 months	**82,932**	236,368
- between 12 months and 5 years	**274,800**	704,774
- greater than 5 years	**355,500**	-
	713,232	941,142

These commitments are based on the Group holding the tenements for the next 5 years.

	Consolidated	
	2020 $	2019 $
(ii) Consultancy Commitments		
Commitments for the payment of consultancy fees to Roland Hill under a long-term contract in existence at the reporting date but not recognised as liabilities, payable:		
- not later than 12 months	**198,000**	198,000
- between 12 months and 5 years	**99,000**	297,000
	297,000	495,000
(ii) Other Commitments		
Commitments for the payment of professsional fees to GC Partners Asia for seeking an offtake partner under an agreement in existence at the reporting date but not recognised as liabilities, payable:		
- not later than 12 months	**-**	45,000
	-	45,000

14. REMUNERATION OF AUDITOR

	Consolidated	
	2020 $	2019 $
Amounts received or due and receivable by HLB Mann Judd for:		
Audit or review of the financial reports of the Company	**34,491**	33,735
	34,491	33,735

15. SHARE BASED PAYMENTS

Executive and Director Share Based Payment Plan

An Executive and Officer Equity-settled Share Based Payment Plan ("the Plan") has been established where the Company, at the discretion of the Directors, may grant options over the ordinary shares of the Company to executives and officers of the Company. The Company has adopted this plan to enable executives and officers to acquire an ownership interest in the Company. The options issued under the Plan are not quoted on the ASX.

Share based payment arrangements in existence during the year

The credit recognised in the statement of comprehensive income in relation to share-based payments is $4,173 (2019: expense $83,418). The unissued options value at $1,162,117 relating to the GEM financing facility have been recognised as an other asset (note 5) and are being amortised over the financial facility life being 3 years.

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
Director Options	2,250,000	27-Nov-18	26-Nov-20	$0.106	$0.0371	27-Nov-18
GEM Options Tranche 1	23,000,000	09-Mar-20	05-Mar-24	$0.150	$0.0249	Issue date
GEM Options Tranche 2	23,700,000	09-Mar-20	05-Mar-24	$0.150	$0.0249	Subject to shareholder approval

Tranche 1 and Tranche 2 GEM options are not issued as at balance date however the Company was obligated to issue the options on entering the financing facility.

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.

	Grant Date	Dividend yield	Expected Volatility	Risk-free interest rate	Option life (years)	Exercise price	Grant date share price
Director Options	27-Nov-18	0%	120%	2.01%	2.00	$0.106	$0.07
GEM Options Tranche 1	09-Mar-20	0%	99%	0.38%	4.00	$0.150	$0.05
GEM Options Tranche 2	09-Mar-20	0%	99%	0.38%	4.00	$0.150	$0.05

The following table illustrates the number and weighted average exercise prices of and movements in share options on issue as part of a share based payment arrangement during the year:

	2020 Number	2020 Weighted average exercise price	2019 Number	2019 Weighted average exercise price
On issue at the beginning of the year	4,250,000	$0.101	6,250,000	$0.094
Granted 27 November 2018	-	-	2,250,000	$0.106
Exercised during the year	-	-	(500,000)	$0.088
Expired during the year	(2,000,000)	$0.096	(3,750,000)	$0.094
On issue at the end of the year	2,250,000	$0.106	4,250,000	$0.101
Exercisable at the end of the year	2,250,000		4,250,000	

The fair value of the equity-settled share options 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.

The weighted average remaining life of the options at balance date is 0.4 years (2019: 1.1 years).

16. DIRECTOR AND EXECUTIVE DISCLOSURES

Details of Key Management Personnel for the year ended 30 June 2020

Directors

Name	**Position**
E Babington	Chairman (Non-Executive)
D Sargeant	Director (Non-Executive)
A Jessup	Director (Non-Executive)
R Hill	Managing Director

Transactions with Key Management Personnel

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	**306,000**	297,000
Post-employment	**4,560**	4,560
Share-based payment	**-**	83,418
	310,560	384,978

The amounts outstanding to Key Management Personnel at the reporting date are included in note 17.

17. RELATED PARTY TRANSACTIONS

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 2020 %	2019 %
Parent Entity:			
FYI Resources Ltd	Australia		
Subsidiaries of FYI Resources Ltd:			
Kokardine Kaolin Pty Ltd	Australia	**100**	100
FYI Thailand Pty Ltd	Australia	**100**	100
which controls			
West Mekong Minerals Ltd	Thailand	**49**	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.

The loss for the year to which the NCI relates amounted to $47,408 (2019: $64,907). The net liabilities of the subsidiary to which the NCI relates was $373,603 (2019: $328,451). The NCI at balance date was adjusted for the amount owing to the Group from the NCI party for their investment in that entity.

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.

The parent’s investment in West Mekong Minerals Ltd is not material, therefore, no disclosure of the subsidiary’s assets and liabilities has been made.

Directors and specified executives

Disclosures relating to the remuneration and shareholding of directors and specified executives are set out in the Directors’ Report.

Notes to the Financial Statements
For the Year ended 30 June 2020

17. RELATED PARTY TRANSACTIONS CONTINUED

The following table provides the amounts outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2020 $	2019 $
Amounts payable to Directors:		
E Babington	**17,520**	-
Kirkdale Holdings Pty Ltd	**11,000**	2,750
Murilla Exploration Pty Ltd	**11,000**	2,750
Capstone Capital Pty Ltd [1]	**272,250**	158,400
	311,770	163,900

[1] In addition to amounts owing for services to the Company an additional amount of $972 (2019: $Nil) was owing at balance date relating to normal business reimbursements. The total owing to Directors at 30 June 2020 was $311,770 (2019: $163,900) Refer note 7.

	Consolidated	
	2020 $	2019 $
Other transactions with Directors		
The Director, Mr Babington is a director of Lyons Babington Lawyers which has provided legal services to the company on normal commercial terms. This excludes fees included as remuneration noted under section B of the Directors Report.	**18,102**	6,433
	18,102	6,433

18. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2020 $	2019 $
(a) Reconcilation to Statement of Cash Flows		
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank. Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	**107,893**	940,088

18. NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(b) Reconciliation of loss after income tax to net cash flows from operating activities:

	Consolidated	
	2020 $	2019 $
Loss after income tax	**(2,102,220)**	(3,200,829)
Equity settled creditors[1]	**399,594**	83,418
Amortisation	**285,040**	-
Movements in Assets and Liabilities		
Trade and other receivables	**(177,578)**	(551,092)
Trade and other payables	**250,755**	610,894
Borrowings	**68,234**	-
Net cash outflow from operating activities	**(1,276,175)**	(3,057,609)

[1] During the year 8,323,335 shares were issued at 5 cents per share to settle creditors $399,594 and prepay services $8,250.

19. FINANCIAL RISK MANAGEMENT

Overview
The Company has exposure to the following risks from their use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Investments
The Company limits its exposure to credit risk by only investing with counterparties that have an acceptable credit rating. Cash and cash equivalents are held with BankWest which is an Australian bank with an AA- credit rating (Standard & Poor's).

Trade and other receivables

The Company has a small exposure to trade receivables at 30 June 2020.

The Company has established an allowance for impairment that represents their estimate of expected losses in respect of other receivables and investments. The components of this allowance may include a specific loss component that relates to individually significant exposures.

Exposure to credit risk
The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2020 $	2019 $
Cash & cash equivalents	**107,893**	940,088
Trade and other receivables	**1,126,382**	977,907

19. FINANCIAL RISK MANAGEMENT CONTINUED

Impairment losses

An impairment loss of $Nil (2019: $Nil) has been recognised in respect of other receivables.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Company ensures it has sufficient cash on demand to meet expected operational expenses for a period of 90 days.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
As a result of a controlled entity in Thailand and purchases in Thai Baht, the Group's statement of financial position can be affected by movements in the Thai Baht / AUD exchange rates. The Group does not have a policy to enter into forward foreign exchange contracts.
The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated			
	Liabilities		Assets	
	2020 $	2019 $	2020 $	2019 $
Thai Baht	**(377,923)**	(333,354)	**4,320**	4,903

At 30 June 2020 and 30 June 2019, had the Australian dollar moved up or down by 10%, with all other variables held constant, post tax result and equity would not have been materially affected.

Interest rate risk
The Company is exposed to interest rate risk due to variable interest being earned on its assets held in cash and cash equivalents. The Company has borrowings Innovative Technology Funding Pty Ltd and the applicable interest rate is 15%. Refer note 8. The Group's exposure to interest rate risk at balance date is not material.

Profile
At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Consolidated	
	2020 $	2019 $
Variable rate instruments		
Financial assets	**107,893**	940,088
Fixed rate instruments		
Financial liabilities	**(826,661)**	(309,677)

Interest Rate Risk

Where possible the Company enters into fixed interest rate deposits to reduce its exposure to interest rate fluctuations. The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on these financial instruments, are as follows:

19. FINANCIAL RISK MANAGEMENT CONTINUED

2020	Weighted Average Effective Interest Rate	Floating Interest Rate $	Fixed Interest Rate $	Non-interest bearing $	Total $
Financial Assets:					
Cash & cash equivalents	**0.4%**	**107,893**	**-**	**-**	**107,893**
Trade and other receivables	**-**	**-**	**-**	**1,126,382**	**1,126,382**
Other assets		**-**	**-**	**920,705**	**920,705**
Total Financial Assets		**107,893**	**-**	**2,047,087**	**2,154,980**
Financial Liabilities:					
Trade and other payables	**-**	**-**	**-**	**1,348,117**	**1,348,117**
Borrowings	**15%**	**-**	**826,661**	**-**	**826,661**
Other financial liabilities		**-**	**-**	**1,600,000**	**1,600,000**
Total Financial Liabilities		**-**	**826,661**	**2,948,117**	**3,774,778**
Net Financial Assets (Liabilities)		**107,893**	**(826,661)**	**(901,030)**	**(1,619,798)**

2019	Weighted Average Effective Interest Rate	Floating Interest Rate $	Fixed Interest Rate $	Non-interest bearing $	Total $
Financial Assets:					
Cash & cash equivalents	0.9%	940,088	-	-	940,088
Trade and other receivables	-	-	-	977,907	977,907
Total Financial Assets		940,088	-	977,907	1,917,995
Financial Liabilities:					
Trade and other payables	-	-	-	1,134,425	1,134,425
Borrowings	15%	-	309,677	-	309,677
Total Financial Liabilities		-	309,677	1,134,425	1,444,102
Net Financial Assets (Liabilities)		940,088	(309,677)	(156,518)	473,893

Fair values versus carrying amounts
The fair values of financial assets and liabilities are as per the carrying amounts shown in the statement of financial position.

Other market price risk
Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company defines return on capital as net operating income divided by total shareholders equity.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

20. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net result for the year attributable to ordinary equity holders of the Company (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net result attributable to ordinary equity holders of the Company (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2020 Cents	2019 Cents
Basic loss per share	**(0.98)**	(1.66)
Loss used in the calculation of basic EPS	**(2,078,042)**	(3,167,726)
Weighted average number of shares outstanding during the period used in calculations of basic loss per share	**212,772,654**	190,325,241

Diluted loss per share is the same as basic loss per share as a loss was generated.

21. SUBSEQUENT EVENTS

On 20 August 2020, the Company issued 21,666,666 shares at 6 cents raising $1,300,000.

On 16 September 2020, 600,000 unlisted options expiring 31 July 2021 were exercised at 10 cents each raising $60,000. On 22 September 2020, 1,200,000 unlisted options expiring 31 July 2021 were exercised at 10 cents each raising $120,000.

On 22 September 2020, 23,000,000 unlisted options expiring 5 March 2024 and exercisable at 15 cents each were issued pursuant to the terms of the equity financing facility announced to ASX on 11 March 2020.

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

22. CONTINGENCIES

In the opinion of the directors there were no contingent liabilities at the date of the report.

23. DIVIDENDS

No dividends were paid or provided for during the year (2019: Nil).

Notes to the Financial Statements
For the Year ended 30 June 2020

24. PARENT ENTITY DISCLOSURES

Statement of Financial position

	Company	
	2020 $	2019 $
CURRENT ASSETS		
Cash and cash equivalents	**104,344**	935,878
Trade and other receivables	**1,125,208**	978,030
Other assets	**920,705**	-
Total Current Assets	**2,150,257**	1,913,908
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	**3,491,511**	3,491,511
Other assets	**1,556,372**	-
Total Non-Current Assets	**5,047,883**	3,491,511
TOTAL ASSETS	**7,198,140**	5,405,419
CURRENT LIABILITIES		
Trade and other payables	**1,284,949**	1,088,517
Borrowings	**826,661**	309,677
Other financial liabilities	**1,600,000**	-
Total Current Liabilities	**3,711,610**	1,398,194
TOTAL LIABILITIES	**3,711,610**	1,398,194
NET ASSETS	**3,486,530**	4,007,225
EQUITY		
Issued capital	**37,899,646**	37,495,460
Reserves	**2,790,637**	1,628,520
Accumulated losses	**(37,203,753)**	(35,116,755)
TOTAL EQUITY	**3,486,530**	4,007,225
Loss before income tax expense	**(3,011,562)**	(4,100,902)
Income tax benefit	**924,564**	848,926
Net loss after tax	**(2,086,998)**	(3,251,976)

The recovery of other financial assets and investments are dependent on the successful development and commercial exploitation or sale of the company’s explorations and evaluation projects.

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of FYI Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FYI Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern (if applicable, refer ASA 570)

We draw attention to Note 1(u) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 6 of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group has chosen to capitalise the acquisition costs associated with the Cadoux Kaolin Project during the year. The cost model has subsequently been applied to the capitalised exploration and evaluation asset after recognition. Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying value of the Cadoux area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure over its Cadoux area of interest; • We discussed with management the nature of planned ongoing activities; and • We examined the disclosures made in the financial report.
Treatment of facility costs Note 5,9 & 15 of the financial report	
During the year the Group entered into a strategic project development equity financing facility with GEM Global Yield LLC SCS at which time the Group incurred a $1.6 million facility fee (Promissory Note) based on 2% of the equity commitment of $80 million and the obligation to issue to Tranche 1 and Tranche 2 GEM options. The facility costs were recognised on the agreement date as other assets and are being expensed to profit or loss on a straight-line basis over the facility availability period being 3 years. We have considered this to be a key audit matter as it required significant management judgement involving the determination of the accounting treatment and estimates that have a degree of estimation uncertainty.	Our procedures included but were not limited to the following: • We obtained an understanding of the agreement and the obligations of the Group; • We considered the recognition of facility costs; • We assessed the recognition of the share-based payment in accordance with AASB 2 *Share-based payment*; and • We reviewed the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of FYI Resources Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
29 September 2020

D I Buckley
Partner

Additional ASX Information

The additional information dated 21 September 2020 is required by the ASX Limited Listing Rules and not disclosed elsewhere in this report.

Distribution of Security Holders

	Quoted Ordinary shares	
	Number of holders	**Number of shares**
1 - 1,000	1,069	417,795
1,001 - 5,000	471	1,092,238
5,001 - 10,000	199	1,604,593
10,001 - 100,000	444	18,167,945
100,001 and over	248	222,080,084
TOTAL	2,431	243,362,655

There were 1,412 holders of less than a marketable parcel of ordinary shares.

	Unquoted Options			
	Exercisable at 10.6 cents expiring 26 November 2020		**Exercisable at 10 cents expiring 31 July 2021**	
	Number of holders	**Number of Options**	**Number of holders**	**Number of Options**
1 - 1,000	-	-	-	-
1,001 - 5,000	-	-	-	-
5,001 - 10,000	-	-	-	-
10,001 - 100,000	-	-	1	100,000
100,001 and over	4	2,250,000	17	7,446,600
TOTAL	4	2,250,000	18	7,546,600

Twenty Largest Shareholders

Shareholder	Number of Shares	Percentage
A Spinks	24,600,000	10.11
Merrill Lynch (Australia) Nominees Pty Limited	19,288,359	7.93
CS Third Nominees Pty Limited	15,458,649	6.35
J P Morgan Nominees Australia Pty Limited	9,639,772	3.96
Capstone Capital Pty Ltd	5,270,672	2.17
BNP Paribas Nominees Pty Ltd	4,463,489	1.83
K J Hall	4,012,345	1.65
Kirkdale Holdings Pty Ltd	4,000,000	1.64
HSBC Custody Nominees (Australia) Limited	3,843,590	1.58
R Hill	3,671,429	1.51
LJJ Van Vliet	3,071,429	1.26
HJ & KL Op Den Dries	2,700,000	1.11
D Findlay	2,681,853	1.10
R Hill	2,622,252	1.08
Citicorp Nominees Pty Limited	2,615,534	1.07
Shareholders Mutual Alliance Pty Ltd	2,500,000	1.03
SO Olsson	2,429,251	1.00
BT Portfolio Services Limited	2,136,056	0.88
A Spinks	2,079,609	0.85
G Milts	2,070,918	0.85
	119,155,207	48.96

Additional ASX Information

Unquoted Securities
The names of security holders with more than 20% of an unlisted class of security are listed below:

Options exercisable at 10.6 cents expiring 26 November 2020	Number of options held	Percentage
D W Sargeant Pty Ltd	500,000	22.22
R Hill	750,000	33.34
E Babington	500,000	22.22
Murilla Exploration Pty Ltd	500,000	22.22

Substantial Shareholders
Substantial holder notices have been received from the following holders.

Shareholder	Number of Shares	Percentage
Regal Funds Management Pty Ltd	30,357,609	12.47
R Hill	14,911,632	6.13

Voting Rights
The voting rights attaching to each class of equity securities are set our below:
(a) Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options: No voting rights.

On- Market Buy-back
There is currently no on-market buy-back programme for any of the Company's equity securities.

Interest in Mineral Tenements

Tenement	Location	Interest
E70/4673	Cadoux, Western Australia	100%
M70/1388	Cadoux, Western Australia	100%
WMM SPLs (6)	Thailand	100% (under application)