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FYI RESOURCES LIMITED

ABN 85 061 289 218

Interim Report

31 December 2018

FYI RESOURCES LIMITED
31 DECEMBER 2018

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CORPORATE DIRECTORY

DIRECTORS

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

Roland Hill – Managing Director

COMPANY SECRETARY

Phillip MacLeod

REGISTERED and PRINCIPAL OFFICE

53 Canning Highway
Victoria Park 6100
Western Australia

Phone +61 (0)8 9361-3100
Facsimile +61 (0)8 9361-3184
Website www.fyiresources.com.au
ABN 85 061 289 218

SHARE REGISTRY

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross 6153
Western Australia

AUDITOR

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

SECURITIES EXCHANGE LISTING

ASX Limited
Home Exchange Perth
ASX Code: FYI

Frankfurt Stock Exchange
Code: SDL

**FYI RESOURCES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

Directors' Report

Your directors submit their report on FYI Resources Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

Edmund Babington
Roland Hill
David Sargeant
Adrian Jessup

Review of Operations and Exploration Activities

The Group's loss for the half-year ended 31 December 2018 was \$1,317,481 (2017: \$455,246).

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

Dividends

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

Events subsequent to reporting date

On 12 February 2019, the Company issued 10,000,000 ordinary shares as the third tranche of consideration shares for the purchase of Kokardine Kaolin Pty Ltd. These shares are subject to voluntary escrow until 11 February 2020.

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

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim report. This written Auditor's Independence Declaration is set out on page 18 and forms part of this Directors' Report for the half-year ended 31 December 2018.

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



Roland Hill
Managing Director
Perth, 6th March 2019

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated	
		6 months ended 31/12/2018 \$	6 months ended 31/12/2017 \$
Continuing Operations			
Interest income		12,866	1,385
Exploration and evaluation expenditure	6	(970,445)	(182,761)
ASX fees		(32,286)	(17,172)
Share based payments		(83,418)	-
Accounting and audit fees		(71,968)	(61,004)
Other administration expenses		(30,968)	(25,534)
Directors fees		(146,280)	(131,400)
Share registry expenses		(5,073)	(4,687)
Rent		(3,080)	(3,227)
Legal expenses		(2,200)	-
Consulting fees		(55,924)	(30,846)
Loss before income tax expense		(1,388,776)	(455,246)
Income tax benefit		71,295	-
Net loss for the period		(1,317,481)	(455,246)
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences from translation of foreign operations		(2,695)	(1,737)
Other comprehensive loss		(2,695)	(1,737)
Total comprehensive loss		(1,320,176)	(456,983)
Loss for the period is attributable to:			
Owners of FYI Resources Ltd		(1,310,618)	(416,233)
Non-controlling interests		(6,863)	(39,013)
		(1,317,481)	(455,246)
Total comprehensive loss for the period is attributable to:			
Owners of FYI Resources Ltd		(1,313,313)	(417,970)
Non-controlling interests		(6,863)	(39,013)
		(1,320,176)	(456,983)
Basic and diluted loss per share (cents per share)	10	(0.70)	(0.42)

The accompanying notes form part of these financial statements.

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CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Consolidated	
		31/12/2018 \$	30/06/2018 \$
CURRENT ASSETS			
Cash and cash equivalents		1,935,658	2,889,087
Trade and other receivables		426,430	351,709
Total Current Assets		2,362,088	3,240,796
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	7	3,533,332	3,533,332
Total Non-Current Assets		3,533,332	3,533,332
TOTAL ASSETS		5,895,420	6,774,128
CURRENT LIABILITIES			
Trade and other payables		761,487	451,292
Total Current Liabilities		761,487	451,292
TOTAL LIABILITIES		761,487	451,292
NET ASSETS		5,133,933	6,322,836
EQUITY			
Issued capital	8	35,928,216	35,880,361
Reserves		2,439,754	2,359,031
Accumulated losses		(33,080,716)	(31,770,098)
Equity attributable to owners of the parent		5,287,254	6,469,294
Non-controlling interests		(153,321)	(146,458)
TOTAL EQUITY		5,133,933	6,322,836

The accompanying notes form part of these financial statements.

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FYI RESOURCES LIMITED

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated						Total
	Issued Capital	Accumulated Losses	Share-based Payments Reserve	Option Premium Reserve	Foreign Currency Translation Reserve	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	
Balance at 1 July 2017	29,309,935	(30,708,596)	532,301	834,677	7,286	(176,785)	(201,182)
Loss for the period	-	(416,233)	-	-	-	(39,013)	(455,246)
Other comprehensive loss	-	-	-	-	(1,737)	-	(1,737)
Total comprehensive loss for the period	-	(416,233)	-	-	(1,737)	(39,013)	(456,983)
Equity transactions:							
Shares issued net of transactions costs	2,710,980	-	-	-	-	-	2,710,980
Share-based payments	-	-	1,848,432	-	-	-	1,848,432
Balance at 31 December 2017	32,020,915	(31,124,829)	2,380,733	834,677	5,549	(215,798)	3,901,247
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	-	(1,310,618)	-	-	-	(6,863)	(1,317,481)
Other comprehensive loss	-	-	-	-	(2,695)	-	(2,695)
Total comprehensive loss for the period	-	(1,310,618)	-	-	(2,695)	(6,863)	(1,320,176)
Equity transactions:							
Shares issued net of transactions costs	47,855	-	-	-	-	-	47,855
Share-based payments	-	-	83,418	-	-	-	83,418
Balance at 31 December 2018	35,928,216	(33,080,716)	1,603,843	834,677	1,234	(153,321)	5,133,933

The accompanying notes form part of these financial statements.

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Consolidated	
	6 months ended 31/12/2018 \$	6 months ended 31/12/2017 \$
Cash flows from operating activities		
Payments to suppliers and employees	(347,756)	(354,364)
Payments for exploration and evaluation	(666,834)	(52,502)
Interest received	13,306	1,385
Other - R&D tax offset	-	50,099
Net cash outflow from operating activities	(1,001,284)	(355,382)
Cash flows from financing activities		
Proceeds from issue of shares	52,000	1,050,000
Share issue costs	(4,145)	(45,126)
Net cash inflow from financing activities	47,855	1,004,874
Net (decrease)/increase in cash held	(953,429)	649,492
Cash at the beginning of the period	2,889,087	238,145
Cash at the end of the period	1,935,658	887,637

The accompanying notes form part of these financial statements.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. Statement of Significant Accounting Policies

Statement of compliance

The interim financial statements were authorised for issue on 6th March 2019.

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by FYI Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation

The interim report has been prepared on a historical cost basis except for investment property which has been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars.

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

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, except for the impact of the new Standards and Interpretations effective 1 July 2018 disclosed below in the section 'Adoption of new and revised Accounting Standards'. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgements and key estimates

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

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2018.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. Statement of Significant Accounting Policies (continued)

Adoption of new and revised Accounting Standards

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective from the current reporting period beginning on or after 1 July 2018. As a result of this review, the Group has initially applied AASB 9 and AASB 15 from 1 July 2018. There is no material impact to profit or loss or net assets on the adoption of these new accounting standards in the current or comparative periods.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

The Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

2. Segment Reporting

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

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

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the half years ended 31 December 2018 and 31 December 2017.

	Continuing Operations			Total
	High Purity Alumina Exploration and Evaluation Australia	Potash Exploration and Evaluation Asia	Unallocated Items	
	\$	\$	\$	\$
Half-year ended 31 December 2018				
Segment net operating loss after tax	(955,281)	(15,164)	(347,036)	(1,317,481)
Interest and other revenue	-	486	12,380	12,866
Income tax benefit/(expense)	71,295	-	-	71,295
Segment assets	3,533,432	1,497	2,360,491	5,895,420
Segment liabilities	315,108	31,813	414,566	761,487
Half-year ended 31 December 2017				
Segment net operating loss after tax	(94,193)	(88,568)	(272,485)	(455,246)
Interest revenue	-	-	1,385	1,385
Income tax benefit/(expense)	-	-	-	-
Segment assets	4,873,661	6,536	947,122	5,827,319
Segment liabilities	1,441,458	48,182	436,432	1,926,072

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

3. Dividends

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

4. Contingent Liabilities

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

5. Events Subsequent to Reporting Date

On 12 February 2019, the Company issued 10,000,000 ordinary shares as the third tranche of consideration shares for the purchase of Kokardine Kaolin Pty Ltd. These shares are subject to voluntary escrow until 11 February 2020.

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

6. Expenses

	Consolidated	
	6 months ended 31/12/2018 \$	6 months ended 31/12/2017 \$
Exploration and evaluation expenditure		
Laos exploration	15,164	88,568
HPA tenement expenses	10,757	5,496
HPA metallurgy and assay	382,249	49,533
HPA field supplies	448	25,460
HPA geologist	45,852	1,000
HPA product development	189,855	6,157
HPA engineering	247,287	-
Other exploration expense	78,833	6,547
	970,445	182,761

7. Deferred exploration and evaluation expenditure

	Consolidated	
	31/12/2018 \$	30/06/2018 \$
Balance at beginning of period	3,533,332	-
Acquisition consideration	-	3,533,332
	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.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

7. Deferred exploration and evaluation expenditure (continued)

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.

8. Issued capital

(a) Ordinary shares

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

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

8. Issued capital (continued)

	Consolidated	
	31/12/2018	30/06/2018
	\$	\$
186,479,454 (30 June 2018: 185,899,454) fully paid ordinary shares	35,928,216	35,880,361

	Consolidated	
	31/12/2018	30/06/2018
	No.	No.
(i) Ordinary shares - number		
Balance at beginning of period	185,899,454	92,410,643
13,333,330 shares issued at 4.5 cents per share on 17 November 2017	-	13,333,330
21,428,571 shares issued at no consideration on 29 November 2017	-	21,428,571
6,428,571 shares issued at 7 cents per share on 12 December 2017	-	6,428,571
714,286 shares issued at 7 cents per share on 19 February 2018	-	714,286
12,500,000 shares issued at 8.1 cents per share on 20 February 2018	-	12,500,000
420,000 shares issued at 12 cents per share on 20 February 2018	-	420,000
11,475,519 shares issued at 8 cents per share on 22 February 2018	-	11,475,519
302,941 shares issued at 10 cents per share on 21 March 2018	-	302,941
26,024,481 shares issued at 8 cents per share on 5 April 2018	-	26,024,481
250,000 shares issued at 10 cents per share on 5 April 2018	-	250,000
111,111 shares issued at 10 cents per share on 12 April 2018	-	111,111
45,000 shares issued at 10 cents per share on 20 April 2018	-	45,000
65,000 shares issued at 10 cents per share on 30 April 2018	-	65,000
390,001 shares issued at 10 cents per share on 10 May 2018	-	390,001
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	-
Balance at end of period	186,479,454	185,899,454

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

8. Issued capital (continued)

	Consolidated	
	31/12/2018	30/06/2018
(ii) Ordinary shares – value	\$	\$
Balance at beginning of period	35,880,361	29,309,935
13,333,330 shares issued at 4.5 cents per share on 17 November 2017	-	600,000
21,428,571 shares issued at no consideration on 29 November 2017	-	1,735,714
6,428,571 shares issued at 7 cents per share on 12 December 2017	-	450,000
714,286 shares issued at 7 cents per share on 19 February 2018	-	50,000
12,500,000 shares issued at 8.1 cents per share on 20 February 2018	-	1,012,500
420,000 shares issued at 12 cents per share on 20 February 2018	-	50,400
11,475,519 shares issued at 8 cents per share on 22 February 2018	-	918,042
302,941 shares issued at 10 cents per share on 21 March 2018	-	30,294
26,024,481 shares issued at 8 cents per share on 5 April 2018	-	2,081,958
250,000 shares issued at 10 cents per share on 5 April 2018	-	25,000
111,111 shares issued at 10 cents per share on 12 April 2018	-	11,111
45,000 shares issued at 10 cents per share on 20 April 2018	-	4,500
65,000 shares issued at 10 cents per share on 30 April 2018	-	6,500
390,001 shares issued at 10 cents per share on 10 May 2018	-	39,000
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	-
Costs of shares issued	(4,145)	(444,593)
Balance at end of period	35,928,216	35,880,361

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

8. Issued capital (continued)

b) Options

As at 31 December 2018 the Company had the following options on issue over ordinary shares:

Options - number	Consolidated	
	31/12/2018 No.	30/06/2018 No.
Balance at beginning of period	11,752,615	2,250,000
Issue of options 17 November 2017	-	6,666,668
Issue of options 17 November 2017	-	2,000,000
Exercise of options 21 March 2018	-	(302,941)
Issue of options 5 April 2018	-	2,000,000
Exercise of options 5 April 2018	-	(250,000)
Exercise of options 12 April 2018	-	(111,111)
Exercise of options 20 April 2018	-	(45,000)
Exercise of options 30 April 2018	-	(65,000)
Exercise of options 10 May 2018	-	(390,001)
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)	-
Balance at end of period	11,672,615	11,752,615

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

31/12/2018	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

30/06/2018	Number	Grant date	Expiry date	Exercise Price	Fair value at grant date	Vesting date
Director Options	2,250,000	28-Nov-16	29-Nov-18	\$0.088	\$0.0155	28-Nov-16
Consultant Options	2,000,000	17-Nov-17	31-Jan-19	\$0.100	\$0.0130	17-Nov-17
Consultant Options	2,000,000	05-Apr-18	04-Apr-20	\$0.096	\$0.0761	05-Apr-18

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

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

9. Related Party Disclosure

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

Controlled entities	Country of incorporation	Percentage Owned	
		31/12/2018 %	30/06/2018 %
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
<i>which controls</i>			
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.

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

Arrangements with Directors continue to be in place. For details on these arrangements, refer to the 30 June 2018 annual financial report.

10. Loss per share

	Consolidated	
	6 months ended 31/12/2018 Cents	6 months ended 31/12/2017 Cents
Basic loss per share	(0.70)	(0.42)
Loss used in the calculation of basic EPS	(1,310,618)	(416,233)
Weighted average number of shares outstanding during the period used in calculations of basic loss per share	186,409,946	99,229,534

11. Fair Value

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

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FYI RESOURCES LIMITED

DIRECTORS' DECLARATION

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

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

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

(b) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended; and

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

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



Roland Hill
Director

Perth, 6th March 2019

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of FYI Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
6 March 2019

D I Buckley
Partner

hlb.com.au

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

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

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

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of FYI Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of FYI Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

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

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Independence

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
6 March 2019**

DI Buckley

**DI Buckley
Partner**

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