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FYI RESOURCES LIMITED

ABN 85 061 289 218

Interim Report

31 December 2020

FYI RESOURCES LIMITED
31 DECEMBER 2020

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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

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

Phone +61 9313 3920
Website www.fyiresources.com.au

ABN

85 061 289 218

SHARE REGISTRY

Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000

AUDITOR

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

SECURITIES EXCHANGE LISTINGS

ASX Limited
Home Exchange Perth
ASX Code: FYI

Frankfurt Stock Exchange
Code: SDL

Hamburg Stock Exchange
Code: A0RDPF

Berlin Stock Exchange
Code: SDL

**FYI RESOURCES LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 December 2020**

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 2020. 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 2020 was \$1,844,956 (2019: \$1,624,466).

During the period the principal activities of the Group consisted of advancing its fully integrated and innovative high purity alumina (HPA) project in Western Australia and mineral exploration and evaluation in 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 the 15th of February 2021, the Company announced the placement of \$3.13 million, via the issue of 9.3 million shares, under the Company's \$80 million capital commitment facility with GEM. This is the first draw down on the GEM financing facility (announced 11 March 2020) which was put in place to provide the Company with capital support for the development of the Company's HPA project.

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 19 and forms part of this Directors' Report for the half-year ended 31 December 2020.

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, 12th March 2021

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated	
		6 months ended 31/12/2020 \$	6 months ended 31/12/2019 \$
Continuing Operations			
Australian Government assistance		5,000	-
Interest income		169	1,119
Exploration and evaluation expenditure	6	(566,575)	(1,174,419)
Amortisation expense	9	(464,137)	-
ASX fees		(27,912)	(31,687)
Share based payment expense	7	(234,495)	-
Accounting and consulting fees		(148,269)	(121,566)
Other administration expenses		(112,548)	(49,414)
Directors fees		(167,280)	(155,280)
Share registry expenses		(34,895)	(11,901)
Legal expenses		(7,000)	(3,000)
Consulting fees		(50,715)	(35,979)
Interest expense		(36,299)	(42,339)
Loss before income tax expense		(1,844,956)	(1,624,466)
Income tax benefit		-	-
Net loss for the period		(1,844,956)	(1,624,466)
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences from translation of foreign operations		4,372	(2,079)
Other comprehensive loss		4,372	(2,079)
Total comprehensive loss		(1,840,584)	(1,626,545)
Loss for the period is attributable to:			
Owners of FYI Resources Ltd		(1,833,292)	(1,614,737)
Non-controlling interests		(11,664)	(9,729)
		(1,844,956)	(1,624,466)
Total comprehensive loss for the period is attributable to:			
Owners of FYI Resources Ltd		(1,828,920)	(1,616,816)
Non-controlling interests		(11,664)	(9,729)
		(1,840,584)	(1,626,545)
Basic and diluted loss per share (cents per share)	16	(0.72)	(0.76)

The accompanying notes form part of these financial statements.

FYI RESOURCES LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Consolidated	
		31/12/2020 \$	30/06/2020 \$
CURRENT ASSETS			
Cash and cash equivalents		6,867,497	107,893
Trade and other receivables	8	173,543	1,126,382
Other assets	9	920,705	920,705
Total Current Assets		7,961,745	2,154,980
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure	10	3,533,332	3,533,332
Other assets	9	1,092,235	1,556,372
Total Non-Current Assets		4,625,567	5,089,704
TOTAL ASSETS		12,587,312	7,244,684
CURRENT LIABILITIES			
Trade and other payables	11	504,380	1,348,117
Borrowings	12	-	826,661
Other financial liabilities	13	1,600,000	1,600,000
Total Current Liabilities		2,104,380	3,774,778
TOTAL LIABILITIES		2,104,380	3,774,778
NET ASSETS		10,482,932	3,469,906
EQUITY			
Issued capital	14	46,027,298	37,899,646
Reserves		3,520,195	2,789,865
Accumulated losses		(38,849,158)	(37,015,866)
Equity attributable to owners of the parent		10,698,335	3,673,645
Non-controlling interests		(215,403)	(203,739)
TOTAL EQUITY		10,482,932	3,469,906

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 2020

	Consolidated						Total
	Issued Capital	Accumulated Losses	Share-based payments reserve	Option premium reserve	Foreign currency translation reserve	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$
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	-	(1,614,737)	-	-	-	(9,729)	(1,624,466)
Other comprehensive loss	-	-	-	-	(2,079)	-	(2,079)
Total comprehensive loss for the period	-	(1,614,737)	-	-	(2,079)	(9,729)	(1,626,545)
Balance at 31 December 2019	37,495,460	(36,552,561)	793,843	834,677	(1,449)	(189,290)	2,380,680
Balance at 1 July 2020	37,899,646	(37,015,866)	1,955,960	834,677	(772)	(203,739)	3,469,906
Loss for the period	-	(1,833,292)	-	-	-	(11,664)	(1,844,956)
Other comprehensive loss	-	-	-	-	4,372	-	4,372
Total comprehensive loss for the period	-	(1,833,292)	-	-	4,372	(11,664)	(1,840,584)
Shares issued net of transactions costs	8,127,652	-	725,958	-	-	-	8,853,610
Balance at 31 December 2020	46,027,298	(38,849,158)	2,681,918	834,677	3,600	(215,403)	10,482,932

The accompanying notes form part of these financial statements.

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CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated	
	6 months ended 31/12/2020 \$	6 months ended 31/12/2019 \$
Cash flows from operating activities		
Australian Government assistance	10,000	-
Payments to suppliers and employees	(657,267)	(274,572)
Payments for exploration and evaluation	(1,286,311)	(1,433,385)
Finance costs	(112,960)	(36,074)
Interest received	169	1,119
Other - R&D tax offset	924,564	777,631
Net cash outflow from operating activities	(1,121,805)	(965,281)
Cash flows from financing activities		
Proceeds from issue of shares	9,183,500	-
Share issue costs	(552,091)	(5,011)
Proceeds from borrowings	-	998,750
Repayment of borrowings	(750,000)	(550,000)
Net cash inflow from financing activities	7,881,409	443,739
Net increase / (decrease) in cash held	6,759,604	(521,542)
Cash at the beginning of the period	107,893	940,088
Cash at the end of the period	6,867,497	418,546

The accompanying notes form part of these financial statements.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. Basis of Preparation

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

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

This condensed half-year report does not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended these interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2020 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

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

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

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

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

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2020.

(a) Statement of compliance

The interim financial statements were authorised for issue on 12 March 2021.

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

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. Basis of Preparation (continued)

(b) Adoption of New and Revised Standards

New Standards and Interpretations applicable for the half year ended 31 December 2020

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective from the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(c) Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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 the Company.

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

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the half years ended 31 December 2020 and 31 December 2019.

	Continuing Operations		Unallocated Items	Total
	HPA Exploration and Evaluation	Potash Exploration and Evaluation		
	Australia \$	Asia \$		
Year ended 31 December 2020				
Other income				
Australian Government assistance	-	-	5,000	5,000
Segment net operating loss after tax	(579,998)	(22,876)	(1,242,082)	(1,844,956)
Interest and other revenue	-	-	169	169
Income tax benefit/(expense)	-	-	-	-
Segment assets	5,546,372	48,716	6,992,224	12,587,312
Segment liabilities	1,733,576	61,299	309,505	2,104,380
Half-year ended 31 December 2019				
Revenue				
Segment net operating loss after tax	(1,197,666)	(19,092)	(407,708)	(1,624,466)
Interest and other revenue	-	-	1,119	1,119
Segment assets	3,593,432	3,562	556,834	4,153,828
Segment liabilities	626,765	65,961	1,080,422	1,773,148

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 the 15th of February 2021, the Company announced the placement of \$3.13 million, via the issue of 9.3 million shares, under the Company's \$80 million capital commitment facility with GEM. This is the first draw down on the GEM financing facility (announced 11 March 2020) which was put in place to provide the Company with capital support for the development of the Company's HPA project.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

6. Expenses

	Consolidated	
	6 months ended 31/12/2020 \$	6 months ended 31/12/2019 \$
Exploration and evaluation expenditure		
Laos exploration	22,876	19,092
HPA tenement expenses	7,569	8,883
HPA metallurgy and assay	387,631	299,133
HPA product development	87,515	166,541
HPA engineering	-	119,786
HPA Pilot plant	33,867	523,379
HPA Rockingham Lease amortisation	15,123	-
Other exploration expense	11,994	37,605
	566,575	1,174,419

7. Share based payment expense

During the half-year ended 31 December 2020, 2,250,000 Options were granted to the Directors of the Company.

The options were granted on 27 November 2020 with an exercise price of \$0.3360 and an expiry date of 27 November 2022. The fair value of the options is \$234,495 (\$0.10422 per Option).

8. Trade and Other Receivables

	Consolidated	
	31/12/2020 \$	30/06/2020 \$
Current		
Trade receivables	-	8,116
Other receivables	161,620	162,821
Allowance for impairment	-	(8,116)
	161,620	162,821
Prepaid expenses	11,924	33,997
R&D tax receivable	-	929,564
	173,543	1,126,382

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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

9. Other Assets

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Current		
Facility costs	920,705	920,705
	920,705	920,705
Non-current		
Facility costs	1,841,412	1,841,412
Accumulated Amortisation	(749,177)	(285,040)
	1,092,235	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 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 comprise the \$1,600,000 and the value of these share-based payments less amortisation over three years.

10. Deferred Exploration and Evaluation Expenditure

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Balance at beginning of year	3,533,332	3,533,332
Balance at end of year	3,533,332	3,533,332

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.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

11. Trade and other payables

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Trade and other payables	286,877	1,109,682
Director related payables	147,486	167,120
Accruals	70,017	71,315
	504,380	1,348,117

12. Borrowings

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Borrowings	-	826,661
	-	826,661

Changes in liabilities arising from financing activities

At start of year	826,661	309,677
Net cash from financing activities	-	998,750
Finance costs incurred	36,299	104,308
Repayment of borrowings	(750,000)	(550,000)
Finance costs paid	(112,960)	(36,074)
Balance at end of year	-	826,661

The Company entered into an agreement with Asymmetric Innovation Finance Pty Ltd to borrow an advance of up to \$750,000 at the applicable interest rate of 15% per annum. The interest is capitalised on a monthly basis, in arrears. As at the reporting period, the Company had repaid the principal and outstanding interest on the principal after the receipt of the refundable tax offset.

13. Other financial Liabilities

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
Promissory Note	1,600,000	1,600,000
	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.

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FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

14. Issued capital

(a) Ordinary shares

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

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
300,795,989 (30 June 2020: 221,095,989) fully paid ordinary shares	46,027,298	37,899,646

	Consolidated	
	31/12/2020	30/06/2020
	No.	No.
(i) Ordinary shares - number		
Balance at beginning of year	221,095,989	212,772,654
8,323,335 shares issued at 5 cents per share on 15 June 2020 ¹	-	8,323,335
21,666,666 shares issued at 6 cents per share on 20 August 2020 ²	21,666,666	-
600,000 shares issued at 10 cents per share on 16 September 2020 ³	600,000	-
1,200,000 shares issued at 10 cents per share on 23 September 2020 ³	1,200,000	-
23,333,334 shares issued at 10 cents per share on 8 October 2020 ²	23,333,334	-
500,000 shares issued at 10 cents per share on 12 October 2020 ³	500,000	-
2,250,000 shares issued at 10.6 cents per share on 24 November 2020 ⁴	2,250,000	-
150,000 shares issued at 10 cents per share on 24 November 2020 ³	150,000	-
30,000,000 shares issued at 20 cents per share on 7 December 2020 ⁵	30,000,000	-
Balance at end of year	300,795,989	221,095,989

¹ Issued in consideration for services provided to the Company.

² Issued to sophisticated and professional investors, announcement 13 August 2020

³ Conversion of unlisted options exercisable at 10 cents each expiring 31 July 2021 (FYIAC)

⁴ Conversion of unlisted options exercisable at 10.6 cents each expiring 26 November 2020 (FYIAC)

⁵ Issued to sophisticated and professional investors

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

14. Issued capital (continued)

	Consolidated	
	31/12/2020	30/06/2020
	\$	\$
(ii) Ordinary shares – value		
Balance at beginning of year	37,899,646	37,495,460
8,323,335 shares issued at 5 cents per share on 15 June 2020 ¹	-	407,844
21,666,666 shares issued at 6 cents per share on 20 August 2020 ²	1,300,000	-
600,000 shares issued at 10 cents per share on 16 September 2020 ³	60,000	-
1,200,000 shares issued at 10 cents per share on 23 September 2020 ³	120,000	-
23,333,334 shares issued at 6 cents per share on 8 October 2020 ²	1,400,000	-
500,000 shares issued at 10 cents per share on 12 October 2020 ³	50,000	-
2,250,000 shares issued at 10.6 cents per share on 24 November 2020 ⁴	238,500	-
150,000 shares issued at 10 cents per share on 24 November 2020 ³	15,000	-
30,000,000 shares issued at 20 cents per share on 7 December 2020 ⁵	6,000,000	-
Costs of shares issued	(1,055,848)	(3,658)
Balance at end of year	46,027,298	37,899,646

b) Options

As at 31 December 2020 the Company had the following options on issue over ordinary shares:

	Consolidated	
	31/12/2020	30/06/2020
	No.	No.
Options - number		
Balance at beginning of year	57,096,600	12,396,600
Expiry of options 4 April 2020	-	(2,000,000)
Exercise of options 16 September 2020	(600,000)	-
Exercise of options 23 October 2020	(1,200,000)	-
Exercise of options 12 October 2020	(500,000)	-
Exercise of options 24 November 2020	(2,250,000)	-
Exercise of options 24 November 2020	(150,000)	-
Issue of options 22 September 2020	23,000,000	-
Issue of options 12 November 2020	23,700,000	-
Issue of options 24 December 2020	2,250,000	-
Issue of options 24 December 2020	4,000,000	-
Balance of options issued at end of year	105,346,600	10,396,600
Options granted 9 March 2020 - unissued	(23,000,000)	23,000,000
Options granted 9 March 2020 - unissued and subject to shareholder approval	(23,700,000)	23,700,000
Balance of options issued and unissued at end of year	58,646,600	57,096,600

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

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	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	Exercised
GEM Options Tranche 1	23,000,000	09-Mar-20	05-Mar-24	\$0.150	\$0.0249	22-Sep-20
GEM Options Tranche 2	23,700,000	09-Mar-20	05-Mar-24	\$0.150	\$0.0249	12-Nov-20
Director Options	2,250,000	27-Nov-20	26-Nov-22	\$0.336	\$0.1042	24-Dec-20
Lead Manager Options	4,000,000	07-Dec-20	31-Dec-22	\$0.300	\$0.1229	24-Dec-20

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.

15. 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	
		31/12/2020 %	30/06/2020 %
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 2020 annual financial report.

FYI RESOURCES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

16. Loss per share

	Consolidated	
	31/12/2020 Cents	31/12/2019 Cents
Basic loss per share	<u>(0.72)</u>	<u>(0.76)</u>
Loss used in the calculation of basic EPS	<u>(1,833,292)</u>	<u>(1,614,737)</u>
Weighted average number of shares outstanding during the period used in calculations of basic loss per share	<u>253,188,156</u>	<u>212,772,654</u>

17. 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 2020 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, 12th March 2021

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 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2021



M R Ohm
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of FYI Resources limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of FYI Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2021



M R Ohm
Partner

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