

QUARTERLY REPORT FOR THE PERIOD ENDED - 30 JUNE 2010

Exploration highlights:

- Four diamond holes intersect wide zones of uranium oxide at 100% owned Yarlalweelor project in WA
- Confirms presence of significant uranium mineralisation
- Best intersections include:
 - 35m @ 503ppm U₃O₈ including 5m @ 1,069ppm U₃O₈
 - 7.8m @ 588ppm U₃O₈ including 1m @ 1,873ppm U₃O₈
- Recovery rates >90% from metallurgical testwork using simple acid leaching
- New drill targets defined from rock chip sampling, including
 - 7,992ppm and 4,062ppm U₃O₈ (Anomaly 41)
 - 2,470ppm U₃O₈ (Anomaly 2)
 - 441ppm U₃O₈ (Anomaly 13)
- Aerial radiometric survey over northern tenement in August
- Further radiometric ground checks in September 2010 quarter
- Further drilling being planned for new and existing prospects

Corporate highlights:

- Relisted on ASX in April after raising A\$1.6 million
- Completed acquisition of Yarlalweelor uranium project
- Announced 1:2, 15c bonus option exercisable by 30 June 2012

REVIEW OF OPERATIONS JUNE QUARTER 2010

CORPORATE

FYI Resources Limited, (ASX code: 'FYI', formerly Freedom Eye Limited), lodged a prospectus with ASIC dated 27th November 2009. Under the provisions of this prospectus and a supplementary prospectus dated 26th February 2010, the Company raised A\$1.6 million and finalised an agreement for the acquisition from Empire Resources Limited, of the Yarlalweelor uranium exploration project in Western Australia. The Company recommenced trading of its shares on the ASX on 16th April 2010.

PROPOSED BONUS ISSUE OF OPTIONS

As detailed in the prospectus dated 27th November 2009, it is the Company's intention to undertake a bonus issue of options to eligible shareholders within six months of reinstatement of trading on the ASX.

The Company subsequently announced on the 22nd July 2010 that these options would be issued to all eligible shareholders registered on 5th August 2010. The terms of this issue will be one bonus option for every two shares held. The exercise price of the options will be fifteen (15) cents and each option must be exercised on or before 30th June 2012.

YARLARWEELOR: Uranium project – WA (100% interest)

The Yarlalweelor uranium project is located 125 km north of Meekatharra in Western Australia.

Previous exploration during the early 1980s discovered primary uranium mineralisation in the form of **uraninite** at five locations within the licence area. Four of these occurrences are from within the Archaean Despair Granite, where limited drilling showed the uraninite mineralisation to be hosted in multiple parallel shear zones and in the adjacent granites.

DIAMOND CORE DRILLING

During the June quarter, four diamond drill holes, totalling 652 metres were completed at the Kangaroo Ridge (3 holes) and Doris (1 hole) prospects. These holes intersected wide zones of uranium mineralization associated with biotite rich shear zones in granite, thereby confirming the presence of significant uranium mineralization at Yarlalweelor. Results from the drilling at Kangaroo Ridge include:

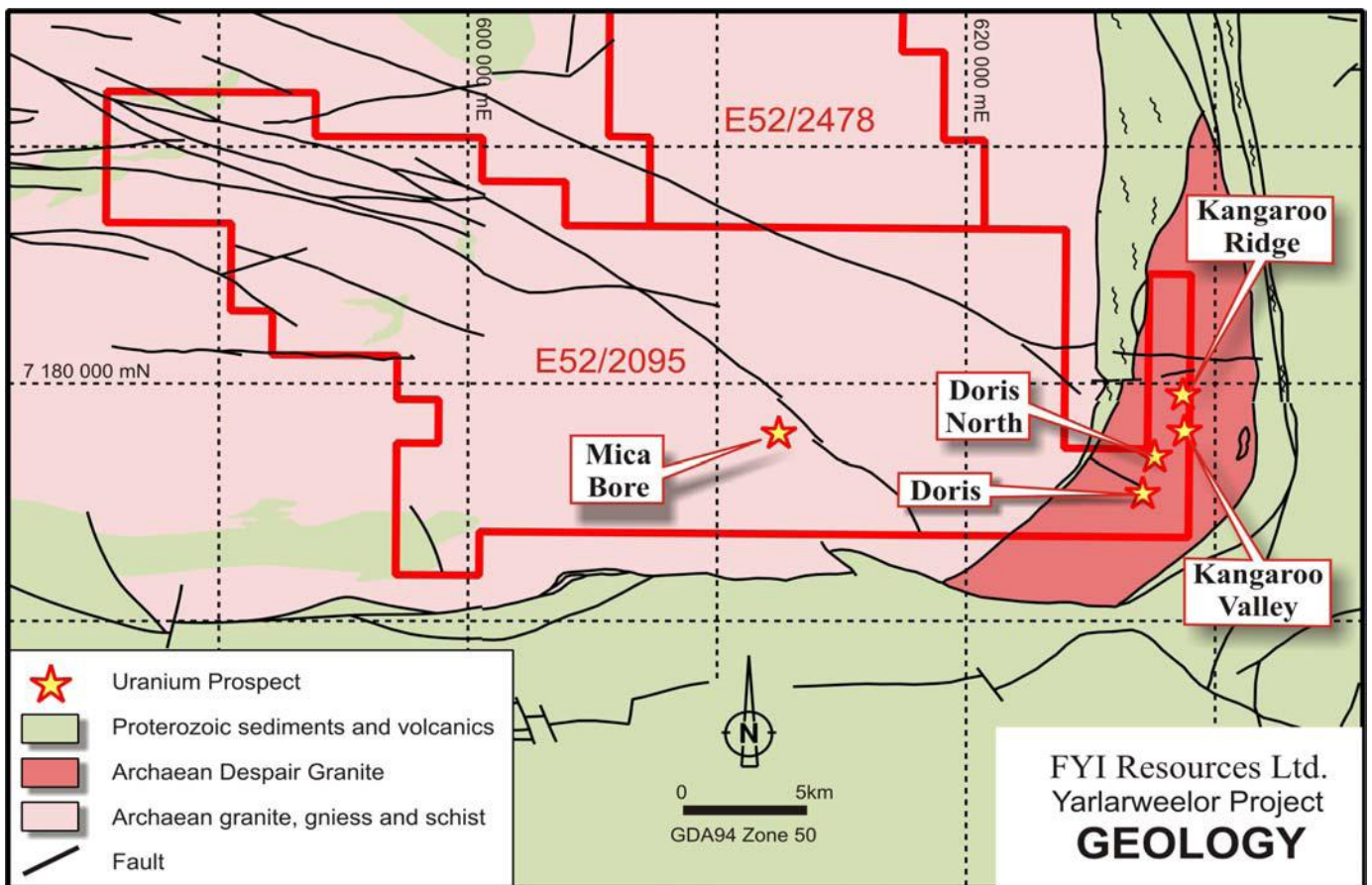
- **35m @ 503ppm U₃O₈ including 5m @ 1,069ppm U₃O₈ in KRD10-02**
- **7.8m @ 588ppm U₃O₈ including 1m @ 1,873ppm U₃O₈ in KRD10-01 and**
- **14m @ 221ppm U₃O₈ including 1m @ 844ppm U₃O₈ in KRD10-03**

Due to limited access, holes KRD10-02 and KRD10-03 were drilled oblique to the strike of the mineralized shear and the true widths of mineralization are estimated to be 9 metres and 3 metres respectively. The true width of mineralization in KRD10-01 is estimated to be 4 metres.

The uranium mineralization at Kangaroo Ridge currently extends for 200 metres along strike and to 200 metres depth as defined by recent and historical drilling. The mineralization remains open both along strike and at depth.

The mineralization at Kangaroo Ridge consists of uraninite with minor pyrite, pyrrhotite and magnetite in schist composed of biotite, quartz, carbonate and chlorite. This schist is related to shear zones developed within the Archaean Despair Granite. Results from a previous detailed airborne radiometric survey and geological mapping indicates shear zones with a combined strike length in excess of 25 kilometres exist within the Company's tenements and may be prospective for uranium mineralization. A program of field checking and sampling of radiometric anomalies is ongoing to rank areas for future drilling.

The single diamond core hole drilled at the Doris prospect, DD10-01, intersected seven zones of biotite schist ranging in true widths from 1.3m to 4.0m. To date, assays from only two of these biotite schist zones and the adjacent granite have been received :- 2.94m @ 184ppm U₃O₈ from 97.66m and 5.37m @ 185ppm U₃O₈ from 117.02m.





Diamond core drilling at Yarlarweelor's Doris uranium prospect – WA



Portion of KR10-02 intersection of uraninite bearing biotite quartz carbonate schist



Core photo of KRD10-02 – 128.5 metres : banded biotite-quartz-carbonate schist with disseminated pyrite and uraninite. (50mm from top to bottom)

Yarlarweelor Drill Assays

Hole ID	Northing	Easting	Az	Dip	Final Depth (m)	From (m)	Interval (m)	U ₃ O ₈ (ppm)
KANGAROO RIDGE								
KRD10-01	7179320	628793	80	-65	59.8	47.8	7.8	588
					includes	53.8	1.0	1,873
KRD10-02	7179314	628754	130	-60	200.5	125.1	35.0	503
					includes	127.1	5.0	1,069
						142.1	2.0	1,228
						149.1	4.0	1,010
KRD10-03	7179314	628753	135	-70	233.4	190.33	14.0	221
					includes	190.33	1.0	844
DORIS								
DD10-01	7175347	627332	296	-60	158.6	97.66	2.94	184
						117.02	5.37	185
						Further assays pending		

Intersections are an arithmetic average calculated using a lower cut-off of 100ppm U₃O₈. No high cut has been applied.

Maximum width of any internal dilution is 3m @ <100ppm U₃O₈.

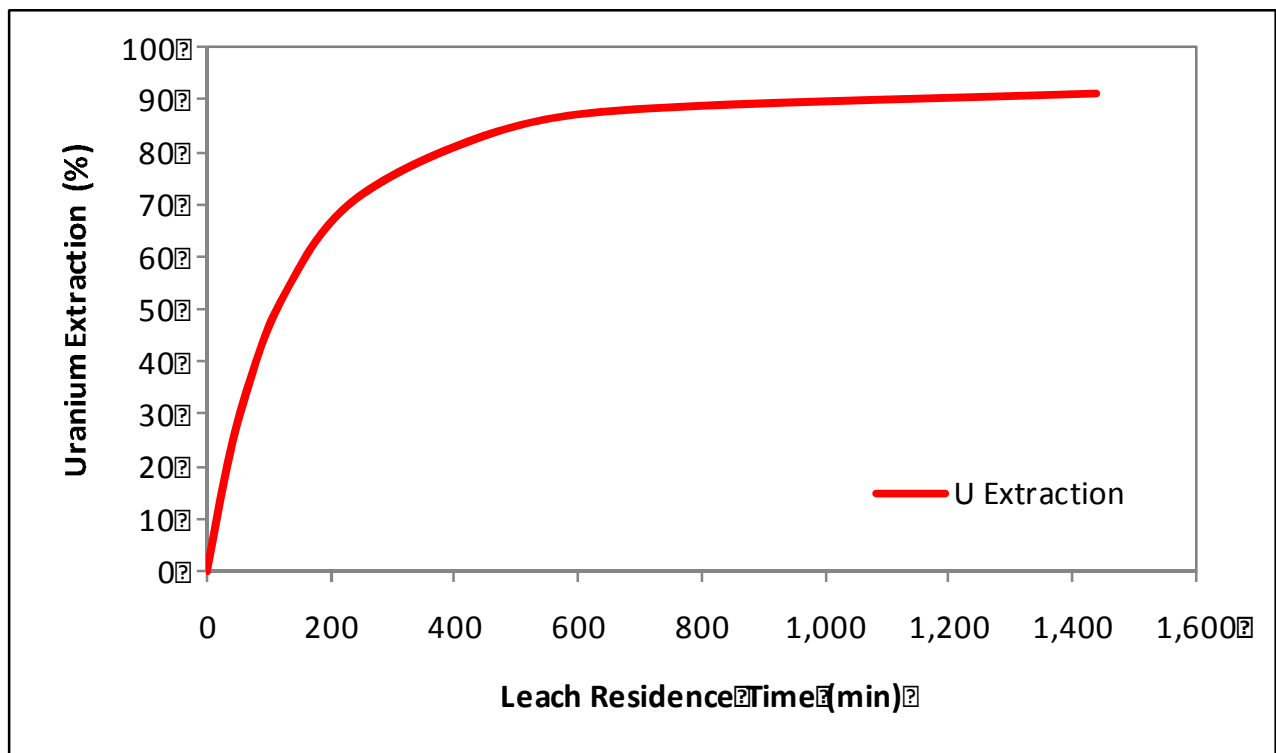
Uranium assays were done on 1 metre quarter core samples by sodium peroxide fusion/ICP-MS by Genalysis Laboratories, Perth,WA.
Coordinates : GDA94 zone 50

METALLURGICAL TESTWORK

Independent Metallurgical Operations (IMO) of Perth, WA was engaged by the Company to conduct preliminary metallurgical testwork to assess the amenability of the Yarlarweelor uranium mineralization to extraction by conventional processing techniques.

Preliminary tests on a composite core sample from hole KRD10-01, crushed to P80=75µm and assaying 530ppm U₃O₈, gave an **89% extraction of uranium to liquor in 12 hours** and **91% extraction in 24 hours**. The extraction test was conducted under mild acid leaching conditions at 25°C and consumed the equivalent of 64kg/tonne sulphuric acid.

The testwork above confirms the potential that a significant proportion of the Yarlarweelor uranium mineralization would be amenable to recovery by simple acid leaching.



RADIOMETRIC ANOMALY PROSPECTING

Concurrent with the above diamond drilling program, ground checking of airborne radiometric anomalies was undertaken during the quarter. Of 95 anomalies outlined in a detailed airborne radiometric survey undertaken in 2008, 30 have been visited to date. From these 30 anomalies, nine returned either rock chip assays or spectrometer readings of >100ppm U₃O₈. These are:

Rock chip assays:

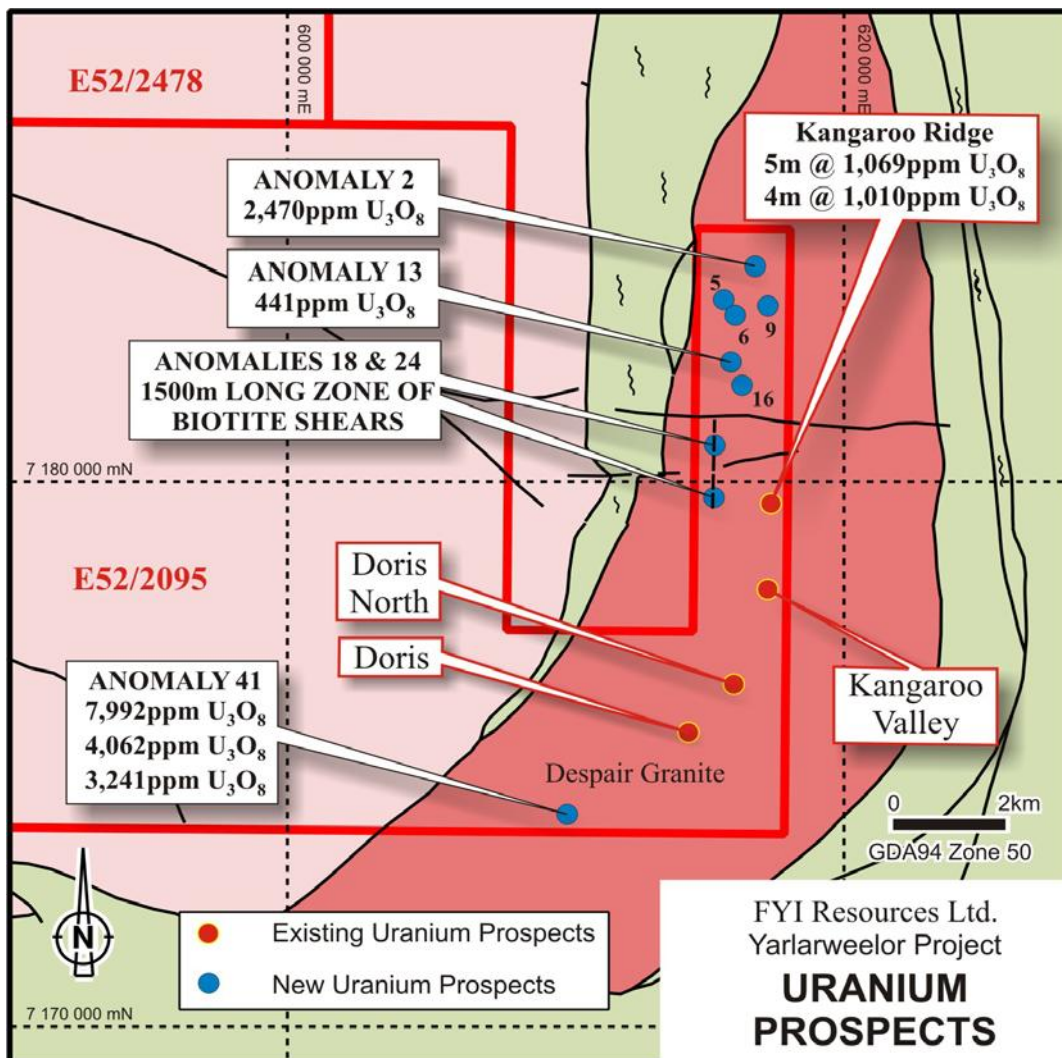
- 7,992ppm, 4,062ppm and 3,241ppm U₃O₈ at Anomaly 41
- 2,470ppm U₃O₈ at Anomaly 2
- 441ppm U₃O₈ at Anomaly 13

Spectrometer readings :

- 365 ppm eU₃O₈ at Anomalies 18 and 24
- 463 ppm eU₃O₈ at Anomaly 9
- 182 ppm eU₃O₈ at Anomaly 5,
- 178 ppm eU₃O₈ at Anomaly 6, and
- 176 ppm eU₃O₈ at Anomaly 16

Uranium spectrometer readings were taken with a calibrated Exploranium GR-135.

None of these new uranium targets has been drill tested in the past. Descriptions of the above anomalies and location coordinates of all visited anomalies were reported in ASX announcements on the 6th and 8th July 2010.



53 Canning Highway, VICTORIA PARK, WA 6100

Postal: PO Box 375, WEST PERTH, WA 6872

Tel: +61 8 9361 3100 Fax: +61 8 9361 3184 Website: www.fyiresources.com.au

ACN 061 289 218



Anomaly 41: secondary uranium minerals (yellow) in weathered sheared granite(50mm wide)

FUTURE WORK

Results from radiometric surveys and geological mapping indicate shear zones with a combined strike length in excess of 25 kilometres exist within the Company's tenements and may be prospective for uranium mineralization. The program of ground checking radiometric anomalies will continue during the September 2010 quarter with the aim of locating additional uranium drill targets. Further drilling is being planned both for existing and new prospects.

A low level airborne radiometric and magnetic survey has been booked to take place over the entire area of E52/2478 early in August. This survey is targeting secondary type uranium deposits in a major creek system.

The Company is also actively seeking to acquire additional uranium properties. To this end, data on a number of uranium projects has been reviewed but to date, none have met the Company's criteria for acquisition.

- End -

Further Information:

Adrian Jessup
Executive Director
Tel: (08) 9361 3100

Russell Barnett
Chairman
Tel: (08) 9320 5138

The information in this report that relates to Exploration Results has been compiled by Mr. David Ross B.Sc(Hons), M.Sc. who is an employee of Empire Resources Ltd. He is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Ross consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical Results has been compiled by Mr. Daryl Evans who is an employee of Independent Metallurgical Operations Limited. He is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralization and type of metallurgical processing under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Daryl Evans consents to the inclusion in the public release of the matters based on his information in the form and context in which it appears.