



JUNE 2014 QUARTERLY REPORT TO SHAREHOLDERS

Foyson Resources Limited (the Company) is pleased to provide Shareholders with the June 2014 Quarterly Report. The Report provides a summary of the activities of the Company for the Quarter and the strategic direction for the forthcoming period.

Major activities include:

- Renewal of EL1396, the key Amazon Bay iron sands tenement, by the PNG Mineral Resources Authority;
- Notification on 26 July 2014, by TVI Pacific Inc. (TVI) of its withdrawal from funding Phase 2 of Amazon Bay Project, to participate in funding activities related to the possible cash flow IGE project upon completion of satisfactory Due Diligence and TVI Board approval;
- Deferral of commitment to make third and final Option fee payment to acquire the remaining shares in Titan Mines Limited for a minimum of three months;
- Successful application for the R & D Tax Incentive, which secured \$273,873 for the year ended 30 June 2013;
- Completion of sampling program at Amazon Bay in the Margarida and Deba areas resulting in 600kg of samples being provided to a major Chinese group in Beijing for metallurgical testing;
- Preliminary sampling program on EL 2281 Maruta in order to incorporate the tenement into the Amazon Bay project exploration program;
- Commencement of exclusive negotiations for a strategic relationship with Integrated Green Energy Pty Ltd (IGE) to acquire and fund the commercialization of its plastics-to-diesel technology;
- The agreed strategy for the IGE business is to build four commercial-scale waste plastic to diesel plants in eastern Australia over the next two years;

- Remuneration for the vendors of IGE would be strictly performance based, subject to the four operations achieving agreed production and financial targets;
- Support from TVI, subject to completion of satisfactory Due Diligence, TVI Board approval and completion of related legal documentation, to assist in the necessary fund raising activities for the IGE project as a possible cash flow positive project for the Company;
- Commencement of proceedings against Archer Resources Limited to enforce settlement on the dispute relating to the South Australian magnesite tenements in the Company's favour;

CASH FLOW IGE PROJECT

The Company has previously communicated to Shareholders that it is actively seeking cashflow positive projects, with synergies for its Papua New Guinea operations.

During the June quarter, the Company entered into exclusive negotiations for a strategic relationship with Integrated Green Energy Pty Limited (**IGE**).

IGE is an Australian company located near Berkeley Vale, New South Wales, with a focus on the development of its waste conversion technology to produce sustainable energy resources. The technology is applicable to both processing non-recyclable and waste plastics-to-fuels and for power generation in remote locations by processing a hybrid biomass.

The agreed strategy for the IGE business is to build four commercial-scale waste plastic-to-diesel plants in eastern Australia over the next two years. Remuneration for the vendors of IGE would be strictly performance based, subject to the four operations achieving agreed production and financial targets.

The principals of IGE have spent a number of years in refining the technology and currently IGE is operating a successful pilot plant, producing industry standard diesel, suitable for use in conventional diesel engines.

IGE is seeking the necessary funding to complete the first commercial facility at its Berkeley Vale pilot plant site, which has full environmental approvals and can be operational within six months of funding.

The Company has commenced Due Diligence on IGE's energy waste conversion technology, on the basis of acquiring licences to operate the technology on a global basis, with exclusivity in some jurisdictions, including Australia.

The parties are currently finalizing the terms of the proposed transaction but have entered a 120 day exclusivity period for Foyson to complete Due Diligence and to conclude the negotiation of long form Agreements. In the event that the

proposed transaction proceeds, Foyson will be seeking to secure funding to immediately scale the pilot plant to commercial production.

The Board considers that this is an excellent opportunity for the Company with the potential to meet the dual objectives of providing short term cash flow from the Australian plastics-to-diesel operations and subsequently reducing the operating costs at Amazon Bay, with a biomass to power facility.

Foyson will provide regular updates to Shareholders during the next Quarter.

TVI STATUS

The Company completed the fundraising program with TVI in the March 2014 Quarter, which saw shareholders approve the balance Tranche 2 placement of \$900,000 and partial repayment of the existing convertible loan in the amount of \$300,000. During the quarter TVI provided Foyson with an additional \$100,000 advance to review strategic cashflow opportunities.

Discussions with representatives of TVI at that time and again, since the commencement of negotiations with IGE, have confirmed its support, subject to appropriate Due Diligence and TVI Board approval, of the Company's funding initiatives, being to develop a sustainable business model which will allow for the ongoing funding of exploration and technical assessment of the Amazon Bay project, as well as the corporate costs of the Company.

Representatives of IGE met with the Foyson Board over the past week and agreed to proceed with Due Diligence and negotiation of formal documentation.

AMAZON BAY PROJECT

The Company was formally advised by the PNG Mineral Resources Authority that exploration licence EL1396 has been renewed over the Company's Amazon Bay iron sands Project.

EL1396 is the key tenement covering Foyson's iron sands resource on the south east coast of PNG and together with the other approved Amazon Bay tenements, Foyson now has a land holding of some 1,627 sq. km.

Exploration activities continued during the Quarter with further sampling programs undertaken in the Margarida and Deba areas resulting in 600kg of samples being provided to a major Chinese group in Beijing for metallurgical testing. In addition, preliminary sampling and exploration activities were undertaken in the Maruta tenement following its grant in February 2014. The results will be analysed in conjunction with existing geological data to develop a comprehensive exploration program.

TVI formally notified the Company on 26 July 2014 of its withdrawal from the Phase 2 commitments under the Amazon Bay Joint Venture Agreement but

continues to support the Company's efforts to find a cashflow positive project with synergies for its Papua New Guinea operations.

The commitment to make the third and final Option fee payment to acquire the remaining shares in Titan Mines Limited has been deferred for three months with the Option period continuing to terminate on 18 July 2015.

SUMMARY OF PNG TENEMENTS

The Company's focus in PNG continues to be on the Amazon Bay project, with the exception of the Atui copper porphyry target on New Britain and the applications on and adjacent to the Legusulum gold/copper project on New Ireland.

Project	Tenement	Interest
Amazon Bay	EL 1396	45% with an option over remaining 45%
Sandbank Bay	EL 1623	45% with an option over remaining 45%
Amazon North	EL2149	50% with an option over remaining 50%
Maruta	EL 2281	50% with an option over remaining 50%
South New Britain	EL 1642	100%

MT HUTTON MAGNESITE TENEMENTS

The Company has filed a notice of discontinuance in relation to South Australian Wardens Court proceedings, following a settlement being reached with Archer Exploration Limited (ASX: AXE).

The Company has now commenced proceedings in the Supreme Court of South Australia to enforce the terms of settlement and expects the matter to be resolved in the Company's favor during the September quarter.

RESEARCH AND DEVELOPMENT APPLICATION

In July 2014, the Company received A\$273,873 following a successful application submitted during the June quarter for the R&D Tax Incentive for the year ended 30 June 2013.

The 2014 R&D Tax Incentive is currently being processed and the Company anticipates an additional refund in excess of A\$350,000 during the September quarter.

FOR FURTHER INFORMATION CONTACT:

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