



24 October 2018

Cadoux Maiden Ore Reserve underpins +50-year life for FYI's HPA development

Highlights:

- Cadoux's Maiden Probable Ore Reserve Estimation (ORE) of 2.89Mt grading 24.4% Al₂O₃ demonstrates project quality
- The ORE supports a mine life of +50 years at an 8,000tpa high purity alumina (HPA) production rate
- ORE focuses on a sub-set of the larger Cadoux kaolin deposit for optimal HPA feedstock characteristics
- FYI has customised the Ore Reserve to its HPA flowsheet to maximise processing efficiencies and product quality, providing greater operating confidence and management of kaolin feedstock
- Highlights include additional potential revenue stream opportunities
- Cadoux kaolin deposit remains open for further tonnage increases / mine life expansion.

FYI Resources Limited (ASX: FYI) is pleased to announce a maiden Ore Reserve Estimation (ORE) for its 100% owned Cadoux kaolin project (E70/4673) situated approximately ~220km northeast of Perth, Western Australia. The maiden ORE follows an updated Mineral Resource Estimation (MRE), calculated by CSA Global for the recently published Cadoux pre-feasibility study (PFS) (see ASX announcement 25 September 2018).

FYI Resources Managing Director Roland Hill commented, "Cadoux's Maiden Ore Reserve, estimated by Orelogy Consulting, has a Probable Ore Reserve estimated at 2.89Mt grading 24.4% Al₂O₃ (see Table 1 below) and is a significant step forward in the development of our HPA strategy and provides an excellent quality benchmark for our future operations. The ORE affords FYI confidence in the quality and characteristics of the in-ground kaolin at Cadoux and how that translates into a superior and consistent quality feedstock for the HPA processing and refining.

"The Cadoux kaolin ORE should be capable of supporting HPA production for more than 50 years and potential additional project revenue opportunities have been identified from byproducts derived from processing the kaolin. We are very pleased with the source and also in the upgraded confidence in the estimation due to its importance to our overall HPA strategy."

Table 1: Cadoux maiden Probable Ore Reserve Estimation, October 2018

Stage	Probable Ore		Waste kT	Total Mining kT	Strip Ratio
	kT	Al ₂ O ₃ %			
1	172	24.8	317	489	1.8
2	175	25.1	225	400	1.3
3	175	24.5	255	430	1.5
4	165	22.7	376	541	2.3
5	165	23.4	396	561	2.4
6	192	25.9	290	482	1.5
7	247	26.1	159	406	0.6
8	130	25.5	125	254	1.0
9	92	23.5	167	258	1.8
10	169	25.6	364	533	2.1
11	275	23.0	481	756	1.8
12	347	24.4	535	882	1.5
13	225	24.8	499	724	2.2
14	363	23.5	774	1,137	2.1
All Stages	2,891	24.4	4,961	7,852	1.7

Note: The Ore Reserve was based on a staged basis using Indicated ore only. Differences may occur due to rounding

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Ore Reserve Estimate

The Ore Reserve includes the information provided in the previous MRE (see ASX announcement 26 July 2017) and includes data from FYI's reverse circulation (RC) drilling program concluded in May 2018 (see ASX announcement 7 May 2018). The ORE focuses on the Indicated material of the Cadoux resource highlighted in the plan below.

The Ore Reserve was estimated in accordance with the JORC 2012 Code for the Cadoux HPA Project. The Reserve estimate is based on the Mineral Resource, metallurgical test work, processing and engineering designs, the Kwinana processing plant and associated infrastructure, cost estimation, planning inputs, variables and assumptions, marketing and pricing research, all of which is detailed in the mining section of Company's recently published PFS report.

Whilst the ORE estimates a mine life of more than 50 years, financial modelling for the project was completed on the basis of a 25-year life with various operational and financial sensitivities analysed to confirm that the project generates positive economical returns and has a reasonable likelihood of success.

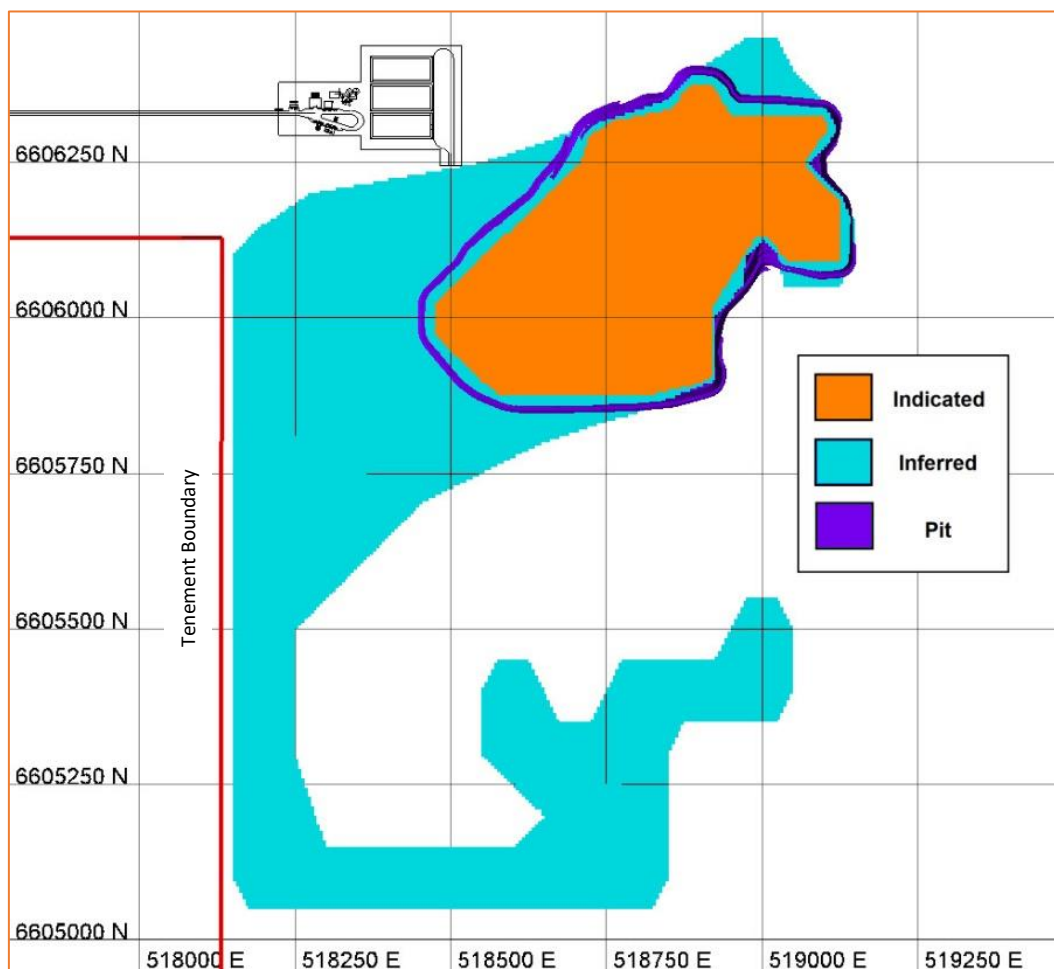


Figure 1: Cadoux maiden Ore Reserve Estimate – mining area of focus

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Mine Development

The Company's maiden ORE is designed to support the recently released PFS, and provides greater confidence in the mining schedules and economic assumptions of the Cadoux project.

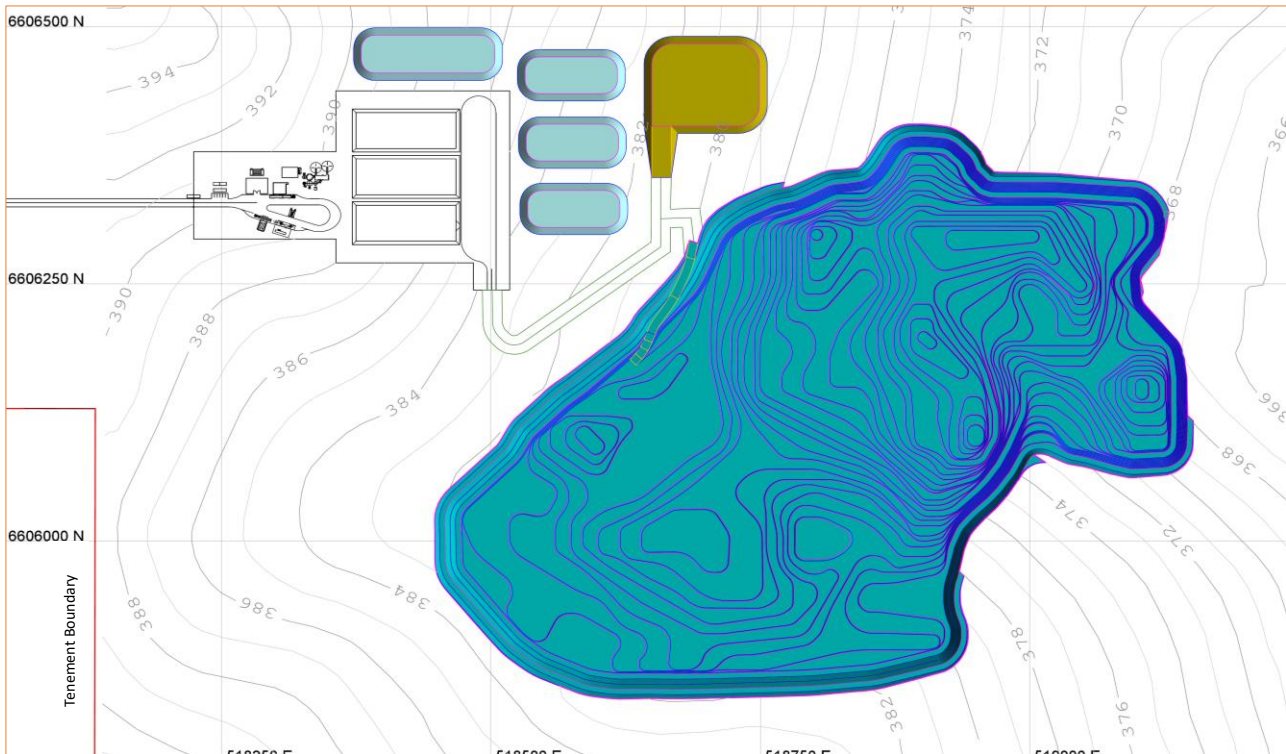


Figure 2: Cadoux kaolin project – potential open pit outline and mine infrastructure layout

Robust Financials

The publication of the Cadoux ORE provides further financial assurance to the project to that outlined under the PFS and the associated production and cashflow models. The ORE supports the robust potential returns and results in leading project metrics for HPA production (please refer to Summary PFS project table)

JORC Code Compliance Statement

The modifying factors considered for the project are detailed in JORC 2012 Table 1, Section 4 (appended to this announcement) regarding Estimation and Reporting of Ore Reserves. These pertain to factors or assumptions regarding to mining, metallurgy, environmental, social, infrastructure, costs, revenue, marketing, project economics, risks and legal matters.

Issue of Shares to Kokardine Kaolin Vendors

Following the release of the positive results of the PFS and now the release of a Probable Ore Reserve supporting a +50 year mining life, the Directors have agreed, with the approval of shareholders, to issue the final 10 million shares to the vendors of Kokardine Kaolin Pty Ltd and the Cadoux kaolin project. Details for the approval of the proposed issue will be set out in the notice of annual general meeting.

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For more information please contact:

Roland Hill

Managing Director

Tel: 0414 666 178

roland.hill@fyiresources.com.au**Simon Hinsley**

Investor & Media Relations

Tel: 0401 809 653

simon@nwrcommunications.com.au**JORC Code Compliance Statement**

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". Steve Craig gives his consent to the inclusion in the statement of the matters based on their information in the form and context in which it appears.

About FYI Resources Limited

FYI is positioning itself to be a significant producer of high purity alumina (4N or HPA) in a rapidly developing: LED, electric vehicle (EV), smartphone and television screen as well as other associated high-tech product markets.

The foundation of FYI's HPA strategy is the superior quality aluminous clay (kaolin) deposit at Cadoux and exceptional positive response that the feedstock has to the Company's moderate temperature, atmospheric pressure HCl flowsheet. The strategy's superior quality attributes combine resulting in world class HPA project potential.



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JORC TABLE 1 Section 4

Estimation and Reporting of Ore Reserves – Cadoux Kaolin Project

Estimation and Reporting of Ore Reserves		
Criteria	Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>	<p>The Mineral Resource Estimate used as a basis for the conversion to the Ore Reserve was provided on 27th August 2018 with Mr Grant Louw, employee of CSA Global, as the Competent Person.</p> <p>At a zero percent cut-off grade, this total Mineral Resource includes 9.6Mt of Indicated and Inferred materials with an average grade of 23.0% Al₂O₃.</p> <p>The Mineral Resources are reported inclusive of the Ore Reserves.</p>
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	<p>The Competent Person (Mr Steve Craig) has visited the proposed mining site of the project in September 2018. The following observations were incorporated:</p> <ul style="list-style-type: none"> • The mining area is located in the Wheatbelt region approximately 220km North East of Perth, accessible from Perth by well-maintained bitumen roads. • The mining area is located approximately 10 km north-northeast of the township of Cadoux, Western Australia. Cadoux is a small township in the north-eastern Wheatbelt region, within the Shire of Wongan-Ballidu • The population density in the region is low with the population of Cadoux estimated (2016) at 67. • The mining area is located on private, freehold, cleared, farmland currently used for growing crops. • There are no buildings or structures within the mining area. • Differences in elevation are moderate without steep slopes. Hence no difficulties are expected in developing site access or site establishment. • There are no power or water access points within the mining area, there is a power line immediately to the west of the mining area and a water pipeline is within 1km of the site.



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Study status	<p><i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></p> <p><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></p>	<p>A Pre-Feasibility Study (PFS) for the Cadoux High Purity Alumina (HPA) project was the basis for the conversion of Resources to Reserves. The study, which indicates that the project is technically achievable and economically viable, was compiled by GR Engineering Services on behalf of FYI Resources Ltd with input from specialist consultants.</p> <p>The PFS was underpinned by a mine plan. The mine plan produces high-grade alumina material for on-site beneficiation. An intermediate concentrate is transported to the HPA processing plant in Kwinana.</p> <p>The Al₂O₃ grade and the mining rate of the ore are in line with the feed requirements of the beneficiation and HPA processing plants.</p> <p>The mine planning activities included final and interim stage pit designs, mine scheduling including backfilling, and mining cost estimations. Modifying factors considered during the mine planning process included slope design criteria, mining dilution and ore loss.</p> <p>The activities and findings of all other disciplines were summarised in the PFS document, and detail derivation of other modifying factors such as processing recoveries, costs, revenue factors, environmental and social. Overall the results of the PFS demonstrate that the HPA project is technically achievable and economically viable.</p>
Cut-off parameters	<p><i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></p>	<p>Only Indicated resource materials were considered as potential ore material.</p> <p>A 7.5% Al₂O₃ ore/waste cut-off grade was utilised in the pit optimisation process.</p> <p>No other quality parameters were applied during the Ore Reserve estimation.</p>
Mining factors or assumptions	<p><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></p> <p><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></p>	<p>As part of the PFS, a detailed mine design and annual schedule was produced. This study indicated that:</p> <ul style="list-style-type: none"> • The Ore Reserve derived from the Mineral Resource can easily meet the processing feed requirements for the production targets of the project. • The ore presents near surface and is easily accessible by conventional open pit mining methods. • The pit optimisation, design and schedule process indicate a project life of +50-years at an ore mining rate of approximately 53,500t per annum, targeting HPA production between 7,000 and 8,000tpa. • The cost of the Cadoux mining operation accounts for only 2% of the total HPA production cost. <p>A conventional open pit mine method was chosen as the basis of the PFS due to the near surface presentation of the mineralisation. Mining and backfilling of pit voids is to occur on a campaign basis.</p> <p>Overburden and beneficiation rejects are backfilled into the pit to minimise the foot print of the operation.</p> <p>Due to the relatively small quantities extracted, and to maintain adequate efficiencies, mining will be undertaken in 2 to 3 month campaigns, sufficient to excavate and stockpile three (3) years ore supply on the Run of Mine (RoM) stockpile pad.</p> <p>Mine design criteria include: minimum mining width, ramp width and gradient, pit exit location and slope design parameters.</p>

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<p><i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.</i></p>	<p>No site-specific geotechnical assessment was available. The basis of the pit slopes and backfill slope angles were based on assumptions from other shallow oxide only mining operations. The overall pit and backfill slope angles were set at 35°. The pit optimisation process indicated that the optimal pit selection was not sensitive to slope angles.</p> <p>Further grade control drilling programs will be considered in the next phase of studies. The ore – overburden boundary is defined by the ore solid (wireframe) provided with the resource model. Delineation of this boundary during mining operations will utilise survey control. Visual checks will then be undertaken by the equipment operators as the visual differentiation between ore and waste is clear. This will ensure that any ore material that is not perfectly bright white will be directed to the overburden dump.</p> <p>RoM dumping strategies can be adopted to blend materials and manage short interval grade variations.</p> <p>The proposed mining method will not require drilling and blasting activities due to the weathered nature of the materials.</p>
<p><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></p>	<p>The August 2018 Datamine Mineral Resource Model (Camd818) used as a basis for the conversion to the Ore Reserve.</p> <p>Only Indicated material were categorised as ore for the optimisation process. Inferred mineralisation was treated as waste.</p>
<p><i>The mining dilution factors used.</i></p>	<p>Mining dilution will need to be avoided as this may affect the performance of the processing plant. Dilution has been set at 0% on the basis that appropriate procedures and processes will be developed to eliminate dilutants from the ore during the mining phase. This can be achieved through survey control and visual checks when excavating.</p>
<p><i>The mining recovery factors used.</i></p>	<p>Mining recovery has been set at 90% reflecting the need to provide clean, undiluted ore to the beneficiation plant. The ore loss is accepted at ore/waste boundaries in order to eliminate dilution. Ore loss will also occur at bench floors due to the requirement to remove road sheeting materials.</p>
<p><i>Any minimum mining widths used.</i></p>	<p>Pit designs and interim cutbacks have been designed to suit a 65t excavator and 40t payload articulated dump trucks. The parameters used were:</p> <ul style="list-style-type: none"> • A minimum mining width of 20m. • One-way ramp width of 8m. • Ramp gradient 12.5%.
<p><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></p>	<p>No inferred Mineral Resources have been included in the Ore Reserves or the associated production schedule.</p> <p>Within the designed final pit inventory, the Mineral Resource tonnages are:</p> <ul style="list-style-type: none"> • 3,212kt Indicated. 94% of Mineral Resource within final design pit • 211kt Inferred. 6% of Mineral Resource within final design pit

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	<p>The infrastructure requirements of the selected mining methods.</p>	<p>The PFS considers the proposed open cut mine plan and schedule, and includes waste and overburden removal, ROM pads based on domained ore, haul roads to beneficiation plant, haulage loading facilities, water management, workshops, administration buildings, traffic management and other associated mine and facility infrastructure.</p> <p>It is planned to conduct mining on a contract basis to produce three (3) years of ore supply using 2-3 month mining campaigns.</p>
<p>Metallurgical factors or assumptions</p>	<p><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></p> <p><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></p> <p><i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></p> <p><i>Any assumptions or allowances made for deleterious elements.</i></p> <p><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole</i></p> <p><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet specifications?</i></p>	<p>The proposed process flow comprises the following key unit processes –</p> <ul style="list-style-type: none"> • Wet attritioning and screening of whole ore feed to produce a low Silica screen undersize stream for downstream processing and a by-product Silica rich screen oversize stream. • Drying and calcination of attritioning screen undersize to activate Kaolin in preparation for acid leaching. • Staged Hydrochloric Acid leaching to extract Aluminium as Aluminium Chloride into solution. • Staged precipitation of Aluminium Chloride concentrates via Hydrogen Chloride gas phase sparging. • Aluminium Chloride concentrate recovery, filtration and washing. • Final high temperature Aluminium Chloride calcination and conversion to High Purity Alumina (HPA). <p>Historically the proposed process flow has been tested successfully for production of Alumina from Kaolin feed stock.</p> <p>The proposed process flow is considered appropriate for the recovery of HPA from Kaolin as evidenced in recent results reporting an HPA product grade exceeding 99.99% Al₂O₃.</p> <p>The direct and variable testwork was based on blended and master composites that were constructed to be representative of the kaolin deposit.</p> <p>Test sample product were derived from RC holes that were approximate to the average resource grade and deleterious element average.</p> <p>Extensive variation work on grade and deleterious elements were also conducted to understand the outliers to the metallurgical response</p> <p>Detailed testwork confirmed excellent amenability to leaching and precipitation stages. Recoveries achieved were 99.997% Al₂O₃.</p> <p>Supporting metallurgical testwork has been conducted to date based on batch testing and processing; further stages of work are scheduled for bulk product generation.</p> <p>The testwork completed to date has been conducted based on resource representative composites, including allowance for separate variability sample testing.</p> <p>Alumina recoveries and grades corresponding to Alumina and potential deleterious elements are consistent with values established based directly on the testwork.</p> <p>IMO have undertaken large scale representative sampling of the Cadoux kaolin deposit that is considered appropriate for the commodity being studied. IMO have prior experience with this commodity and relate that to addressing the minerology requirements for the PFS testwork and review.</p> <p>The minerals that define the Ore Reserve are not based on a specification other than Alumina grade.</p>

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Environmental	<p><i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></p>	<p>Botanica Consulting Pty Ltd has undertaken baseline studies as well as flora, fauna and other essential permitting studies at both the Cadoux and Kwinana project sites and have found no major impacts on the environment or on mining. Please see body of PFS for further details.</p> <p>Hydr2o Pty Ltd conducted a hydrology survey at the Cadoux project site and found that the project was not in a water reserve or sensitive area. No major surface or subterranean water issues were identified that would impact the environment or the HPA operations.</p> <p>Cadoux ore and waste rock are characterised as non-acid forming (NAF) and does not pose a threat to water courses or subterranean water sources. The mining operation is small, so the footprint and disturbance area are small. The operations will be progressively back filling and rehabilitating the open pits.</p>
Infrastructure	<p><i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></p>	<p>Cadoux is located 220km north east of Perth with the project area having access to major arterial roads, rail, mains water, telephone line and a 33KVA power line – all within 1km of the project.</p> <p>Labour, utilities, services, accommodation and transport is very accessible as there are a number of small towns in the area, the major regional town of Wongan Hills is 60kms in distance and Perth is in easy driving distance of approximately 2 hours</p>
Costs	<p><i>The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private.</i></p>	<p>All project costs (capital, operating, consumables, labour, freight etc) have been identified, assessed and calculated by the various expert study managers responsible for the various sections of the PFS. The study managers include GR Engineering Services (GRES), Independent Metallurgical Operations (IMO), CSA Global (CSA) and Orelogy Consulting Pty Ltd.</p> <p>These groups have utilised detailed studies, indexed prices, public reference prices etc to calculate the various costs used as inputs into the PFS. Please see the PFS report for further information.</p> <p>All costs are based on market rates as of the Q3 2018 are to a $\pm 25\%$ accuracy</p> <p>Detailed studies by respective study managers have identified and accounted for deleterious content within the deposit as well as in the process and refining of the HPA. The deleterious element has also been accounted for in the financial modelling.</p> <p>All mining recovery, metallurgical, recovery and other technical concerns regarding the commodity price for HPA have been considered by appropriately qualified individuals and groups in respect to the PFS requirements.</p> <p>FYI has used a number of sources and different service providers in estimating and calculating its transportation costs. FYI believes that the freight cost estimation is accurate and appropriate to the PFS. Further transportation charge details are included in the PFS.</p> <p>Extensive studies have been undertaken to understand and estimate operating costs and charges as well as penalties for off-specification product. IMO and GRES have particularly focused on this area of the PFS. Further detail is highlighted in the PFS.</p> <p>Under the operations and financial modelling, full allowances are made for state royalties, duties, taxes, compensation etc. The project financial model details the particular financial cost, the percentage and the amount. A 5% state royalty has been allowed for.</p>

Revenue factors	<p>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</p> <p>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</p>	<p>The Cadoux PFS financial model provides for an array of project assumptions, including costs, cost escalations, grade variations, production variation, exchange rates, etc.</p> <p>These assumptions have been modelled on variations and sensitivities to a range of +/- 20% on major input factors such as grade, operating cost, capital cost and revenue.</p> <p>The assumed price in the financial modelling has been derived from a number of sources and then discounted. The sources include independent market research (CRU and Allied Market Research)</p>
Market assessment	<p>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</p> <p>A customer and competitor analysis along with the identification of likely market windows for the product.</p> <p>Price and volume forecasts and the basis for these forecasts.</p>	<p>The market assessment for price and volume/demand has been supported by:</p> <ul style="list-style-type: none"> • 2 independent research groups (CRU & Allied Market Research) • IMO achieving a reference price – by purchasing HPA for independent testing • FYI's own market research and direct meetings with market participants (producers, manufacturers and traders) in China, Japan and South Korea • Web-based commodity trading platform references.
Economic	<p>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</p> <p>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</p>	<p>The Mineral Resource estimation, completed by CSA Global, and mining schedule, completed by Orelogy Consulting Pty Ltd, are of sufficient technical standard and level of accuracy taking into account all mining and associated activities and contingencies.</p> <p>The economic assumptions used in the financial modelling are:</p> <ul style="list-style-type: none"> • 0.75 USD:AUD exchange rate • 10% discount rate • Contingency of 10% on Cadoux and 15% for Kwinana capital and operating costs <p>The financial summary and base case NPV demonstrates a positive result. Sensitivities and discounting ranges have been applied to understand the economic tolerance to various key inputs to the base case. The sensitivities are generally $\pm 20\%$ and despite this, the financial result still demonstrates a positive economic case and profit margin to support the development of Cadoux</p>
Social	<p>The status of agreements with key stakeholders and matters leading to social licence to operate.</p>	<p>There are no existing Native Title claims on the Cadoux project tenements. Broader stakeholder and community engagement will be ongoing over the development of the project.</p>
Other To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves.	<p>Any identified material naturally occurring risks.</p> <p>The status of material legal agreements and marketing arrangements.</p> <p>The status of government agreements and approvals critical to the viability of the project, such as mineral tenement status and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third part on which extraction of the reserve is contingent.</p>	<p>There are no obvious or likely naturally occurring risks that have been identified or which may negatively impact the Project or Project area.</p> <p>No major or material legal Agreements exist in respect to the Company at this stage.</p> <p>There is one marketing arrangement signed at this point (MOU) regarding marketing of HPA in Korea.</p> <p>All statutory government agreements, permits and approvals commensurate to the current status of the project are all current and in good order.</p> <p>A Mining Lease is yet to be granted for the Cadoux site.</p> <p>Timeframes for Agreements appropriate to the PFS have been handled appropriately and have not put the project at risk. Agreement timeframes in respect to the FS will be handled with similar accord so as not to put the future studies and project development at risk also.</p>



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Classification	<p>The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</p>	<p>Probable Ore Reserves were determined from mineralisation classified as Indicated Resource. This classification is reasonable because of the nature of the deposit (consistency, homogeneity, low variability). The risks associated with the orebody variability appear much lower than other project risks (such as price and exchange rate variations and the requirement of meeting product specifications to realise the estimated product price).</p> <p>100% of the Ore Reserves are classified as Probable.</p>
Audits or reviews	<p>The results of any audits or reviews of Ore Reserve estimates.</p>	<p>The Ore Reserve estimate has been reviewed internally by Orelogy Consulting Pty Ltd. No external reviews or audits have been undertaken on the Ore Reserve estimate.</p>
Discussion of relative accuracy/ confidence	<p>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</p> <p>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</p> <p>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</p> <p>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	<p>The Mineral Resource, and hence the associated Ore Reserve, relate to global estimates.</p> <p>To date, there has been no commercial production with FYI's HPA manufacturing process, so no comparison to production or reconciliation data can be made.</p> <p>The Ore Reserve estimate is an outcome of the September 2018 Pre-Feasibility Study with geological, mining, metallurgical, processing, engineering, marketing and financial considerations to allow for the cost of finance and tax. Engineering and cost estimations have been done to a $\pm 25\%$ level of accuracy, consistent with a PFS of this nature.</p> <p>An NPV was estimated with FYI's financial model which demonstrates that the project is economical and robust.</p> <p>Sensitivity analysis undertaken during the PFS shows that the project is most sensitive to a movement in the HPA selling price. The NPV is not as sensitive to changes in capital or operating costs.</p> <p>The robustness of the project and the low sensitivity to cost variations provide confidence in the Ore Reserve estimate. However, there is no guarantee that the HPA price assumption, while reasonable, will be achieved</p>