



26 November 2018

ASIA HPA PRODUCT MARKETING TRIP

HIGHLIGHTS:

- ✓ FYI management recently met with a variety of HPA buyers in East Asia.
- ✓ Confirmation of current HPA pricing levels and traded volumes provide corroboration of projected HPA demand growth.
- ✓ FYI to progress strategic offtake discussions with selected parties across the region, some include strategic financing alternatives.
- ✓ Multiple HPA buyers and downstream users undertaking initial stages of product qualification using sample of FYI's high grade HPA (99.997%).

High Purity Alumina (HPA) developer FYI Resources Limited (ASX: **FYI**) (the "**Company**" or "**FYI**") is pleased to report positive feedback from meetings held with key HPA industry participants during November in the major HPA consumer countries of China, Japan and South Korea.

As part of the follow-up product marketing trip, the Company and its advisors met with a number of key potential customers in the HPA industry at trader and direct end user level, with the key objectives to:

- Investigate, and seek further clarity and transparency on the regional HPA markets in East Asia;
- Broaden the awareness of the Cadoux HPA project's potential high-grade product, excellent prefeasibility study (PFS) results and strategic +50yr mine life; and
- Further explore commercial opportunities with selected parties, which includes offtake and strategic financing for the Cadoux project.

FYI Resources Managing Director Roland Hill said, "The follow up visit helped FYI to establish new contacts and provided us with great insights into the HPA markets in East Asia. The industry feedback gained from multiple sources is encouraging and supports both our internal views on pricing and demand for HPA as well as the forecasts of independent market researchers, such as CRU Group, that we referenced in our PFS.

Mr Hill continued "All formal meetings proceeded very well, with particular focus on the quality represented in FYI's high grade (99.997%) and excellent individual product characteristics of its HPA. The meetings also helped FYI to better understand the HPA industry and market. FYI will continue to develop its relationships and market channels within East Asia in line with its long term and strategic HPA production objectives."

Key outcomes included:

- Clear indications that there are market sub-sectors of differing product specifications and pricing models across the region;
- Cadoux's HPA aligns with the high quality >99.99% market that is well supported by a premium price and strong demand for new supply sources;
- mid to long-term forecast demand looking very strong – not only from "traditional" HPA derived products, but particularly on the back of the developing electric vehicle market and emerging specialty ceramics product development; and
- Increasing feedstock costs and supply constraints for traditional HPA producers (i.e. smelter grade aluminium) is a driver to switch to new supply sources with high purity and security of supply.

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26 November 2018

Next Steps:

The Company has already completed an internal qualification of the groups met with our preferred group of buyers and end-users of HPA already undertaking discussions towards establishing formal relationships for offtake. Discussions with select parties may also include strategic financing alternatives for the Cadoux HPA project going forward.

The Company will update shareholders in due course as one or more of these groups moves to a form of binding agreement. The timetable of these negotiations will run in parallel with the bankable feasibility study activities now underway.

Further information:**Roland Hill**

Managing Director

Tel: +61 414 666 178

Roland.hill@fyiresources.com.au

Simon Hinsley

Investor & Media Relations

Tel: 0401 809 653

simon@nwrcommunications.com.au

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, smartphone and television screen as well as other associated high-tech product markets.

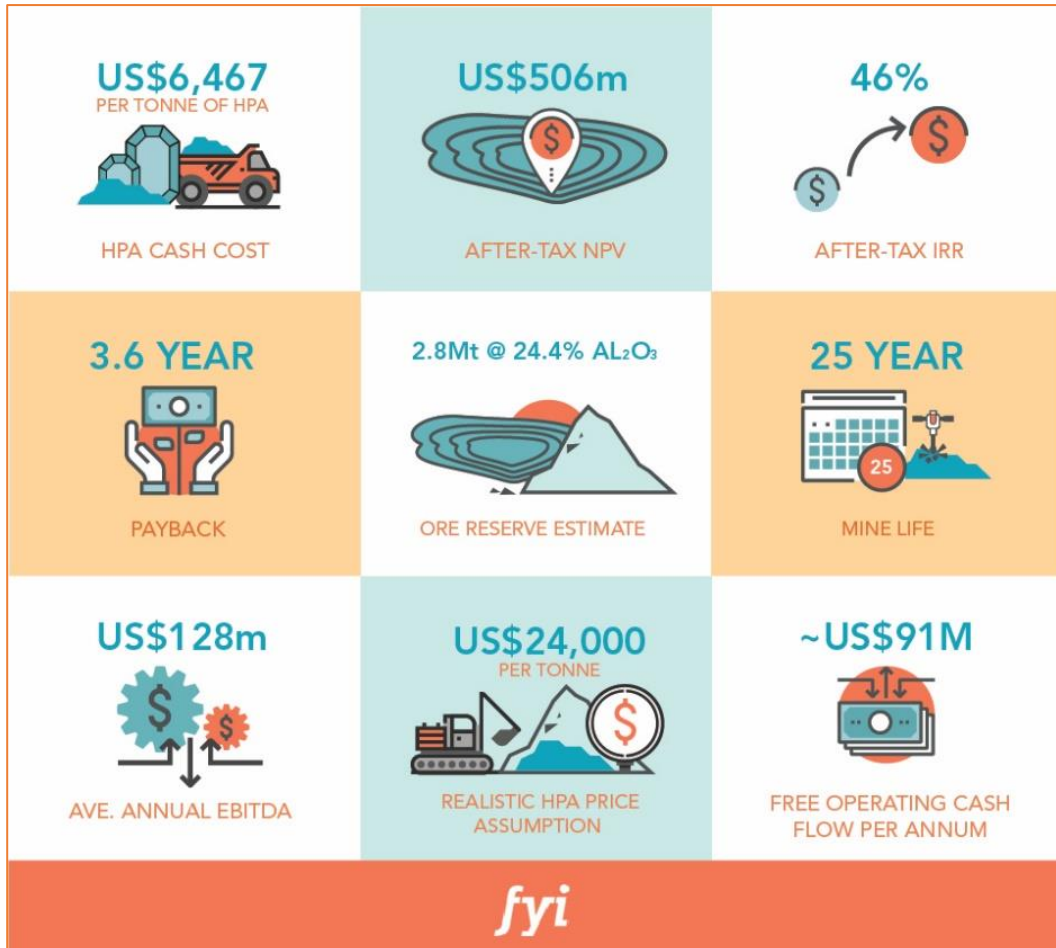
The foundation of FYI's HPA strategy is the superior quality aluminous clay (kaolin) deposit at Cadoux and the exceptional positive metallurgical response that the feedstock has to the Company's moderate temperature, atmospheric pressure and straightforward HCl flowsheet. The strategy's superior quality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

On 25 September 2018, FYI announced results of its Preliminary Feasibility Study ("PFS") for its Cadoux kaolin project in Western Australia. The PFS confirmed the Company's intention to become a predominant vertically-integrated, long life producer of high quality, sought after high purity alumina ("HPA").

Reflective of Cadoux's quality as a feedstock and the efficiency of the Company's innovative flowsheet, the PFS resulted in an leading industry economic outcomes that indicate the Project could produce up to 8,000 tonnes per annum of HPA with both low capital (US\$180m) and operating costs (US\$6,467/t), delivering an NPV_(10%) of US\$506 million for a 25-year project mine life from >50-year kaolin supply at an attractive IRR of 46%.

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FYI Cadoux HPA Pre-Feasibility summary economic metrics



26 November 2018

Competent Persons Statements

Ore Reserves

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". The information is extracted from the announcements dated 23 and 29 October 2018 and are available to view on the Company's website at www.fyiresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the findings in the relevant market announcements continue to apply and have not materially changed and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw, under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. He is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves". The information is extracted from the PFS announcement dated 25 September 2018 and is available to view on the Company's website at www.fyiresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the findings in the relevant market announcements continue to apply and have not materially changed and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Metallurgy

The information in this report that relates to metallurgy and metallurgical test work is based on information reviewed and compiled by Mr Daryl Evans, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Evans is an employee of Independent Metallurgical Operations Pty Ltd, and is a contractor to FYI. Mr Evans has sufficient experience that is relevant to this style of processing and type of deposit under consideration, and to the activity that he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Announcements in respect to metallurgical results are available to view on the Company's website at www.fyiresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the findings in the relevant market announcements continue to apply and have not materially changed.



26 November 2018

Cautionary Statement

Substance of PFS

The PFS referred to in this announcement is a study of the potential viability of the Cadoux Project. It has been undertaken to understand the technical and economic viability of the Project.

The PFS is based on the material assumptions outlined in the PFS announcement released to ASX on 25 September 2018 and summarised in the Summary of Material Assumptions and Modifying Factors description and tables (appendix 2 and 3) attached to the PFS document. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by this PFS will be achieved.

To achieve the range of outcomes indicated in the PFS funding in the order of US\$197 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

It is also possible that the Company could pursue other "value realisation" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS.

The Company confirms that all material assumptions underpinning the results of the PFS released to ASX on 25 September 2018 and the ore reserve announced 23 and 29 October 2018 continue to apply and have not materially changed.

General and forward-looking statements

The contents of this announcement reflect various technical and economic conditions, assumptions and contingencies which are based on interpretations of current market conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly and without notice over relatively short periods of time. Consequently, actual results may vary from those detailed in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Such forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. When used in this announcement, words such as, but are not limited to, "could", "planned", "estimated", "expect", "intend", "may", "potential", "should", "projected", "scheduled", "anticipates", "believes", "predict", "foresee", "proposed", "aim", "target", "opportunity", "nominal", "conceptual" and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

The contents of this release are also subject to significant risks and uncertainties that include but are not limited to those inherent in mine development and production, geological, mining, metallurgical and processing technical problems, the inability to obtain and maintain mine licences, permits and other regulatory approvals required in connection with mining and processing operations, competition for among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of projects and acquisitions, changes in commodity prices and exchange rates, currency and interest rate fluctuations and other adverse economic conditions, the potential inability to market and sell products, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, environmental, native title, heritage, taxation and other legal problems, the potential inability to secure adequate financing and management's potential inability to anticipate and manage the foregoing factors and risks.

All persons should consider seeking appropriate professional legal, financial and taxation advice in reviewing this announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment or financial advice to any person. This announcement does not take into account the individual investment objective, financial or tax situation or particular needs of any person.