

18th April 2019

FYI SUCCESSFULLY COMPLETES DETAILED DRILLING TO ADVANCE BFS AND OUTLINE FIRST PHASE OF MINING GRADE CONTROL

Highlights:

- First phase of the detailed metallurgical drilling program completed.
- Program designed to achieve key technical project objectives and to contribute to a robust bankable feasibility study.
- Provides further kaolin feedstock for continued metallurgical test work and pilot plant process studies.
- Results to be utilised in planned upgrade of Measured Resource to Proven Reserve.
- Drilling to assist in grade control for the first phase of mining at Cadoux.
- Diamond drilling results also utilised in mining approvals and environmental permitting.

High Purity Alumina (HPA) developer, FYI Resources Limited (the "**Company**" or "**FYI**"), is pleased to announce that it has successfully completed the first phase of the detailed metallurgical drilling program at the Company's 100%-owned Cadoux kaolin project (EL/4673) in Western Australia.

The combined RC and diamond drilling program (refer ASX announcement 20 March 2019) was designed to meet several key technical project objectives and contribute to delivery of a robust bankable feasibility study for FYI's integrated HPA strategy.

The RC component of the program was successfully completed which consisted of close spaced (5m x 5m) in-fill drilling of the current resource to:

- Incorporate the results of closed spaced drilling data into the current metallurgical studies database;
- Support the current metallurgical model in terms of grade and variation of the deposit as a feedstock;
- Provide additional kaolin feedstock for continued metallurgical test work and pilot plant process studies;
- Increase technical understanding and confidence in the deposit leading to the conversion of the Measured Resource to a Proven Reserve for the first phase of mining; and
- Provide grade control for the first phase of mining and increase the predictability of the future production schedule.

The drilling program consisted of:

- 22 vertical (-90 degree) RC drill holes totalling 614 metres and generating 447 samples.
- 4 angled (-70 degree) PQ triple tube diamond drill holes totalling 75 metres

The samples were prepared at site and sent for a series of tests including standard kaolin suite analysis to determine the element grades and quality as well as testing the in situ moisture of the kaolin to determine specific gravity (mass) of the deposit and other characteristics of the kaolin chemistry in relation to refining of HPA.

Analysis of the results, performed by Intertek laboratories in Perth, is pending and will be reported to the market once received.

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RC Drilling at Cadoux HPA Project



Diamond Drilling at Cadoux HPA Project

A summary of the key drilling parameters is shown in the table below.

| RC Drilling | Result | Diamond Drilling | |
|--------------------------------|--------|--------------------------------|--------|
| Number of holes drilled | 22 | Number of holes drilled | 4 |
| Number of metres drilled | 614 | Number of metres drilled | 75 |
| Number of samples submitted | 447 | Number of samples submitted | nil |
| Average depth of all holes (m) | 28 | Average depth of all holes (m) | 25 |
| Azimuth | 0 | Azimuth | varied |
| Dip | -90 | Dip | -70 |
| Deepest hole (m) | 66 | Deepest hole (m) | 25 |

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Mining Proposal and Permitting

A significant purpose of the drilling campaign is the upgrading of the current Measured Resource to Proven Reserve status. The 5m x 5m RC drilling pattern was designed at appropriate spacing and configuration to allow the results to be used for the revised resource calculation and also as the grade control for the first phase of mining.

To provide further project information, 6 RC holes were extended to provide hydrological information to calculate the water supply for the onsite beneficiation process and to incorporate the hydrological results into the project environmental study and mine plan.

Commenting on the drilling program, FYI Managing Director, Mr Roland Hill said: "The drilling went particularly well, and we are very interested in integrating all of the results and applying it to our on-going test work programs including the pilot plant. We will also be incorporating the information into our BFS and broader mine plan and environmental and permitting studies. To expedite FYI's HPA development timeline efficiently, the drilling will be utilised as the grade control determining the mining plan on the first phase of mining.

The detailed drilling campaign is consistent with our strategy of delivering a world leading HPA project, with the lead into production being de-risked."

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About FYI Resources Limited

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

FYI is progressing positively with its Bankable Feasibility Studies (BFS) and Pilot Plant production studies to de-risk the HPA project strategy.

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