

August 3rd 2020

FYI SUCCESSFULLY COMPLETES SECOND TRIAL HPA PRODUCTION

Key points:

- ***FYI's Stage Two pilot plant HPA production campaign successfully completed***
- ***Pilot plant performs in line with operational parameters and expectations***
- ***Trial HPA production samples sent to USA for independent analysis to confirm purity***
- ***FYI HPA trial product being prepared ahead of being shipped to meet customer requests***
- ***Dedicated HPA product to receive additional finishing to specialty specifications as requested by several parties for detailed qualification***
- ***Process design improvements tested and incorporated into flowsheet design***
- ***Further variation and efficiency test work planned shortly***
- ***Further pilot plant operations and testwork planned***

FYI Resources Ltd (**ASX: FYI**) ("**FYI**" or "**the Company**") is pleased to announce the successful completion of the Stage Two HPA production of high purity alumina (HPA) from the Company's pilot plant facility located in Welshpool, Western Australia.

FYI's Stage Two pilot plant trial and HPA production run has just been completed. The Company's purpose-built pilot plant operated in line with expectations and design parameters including recoveries which provides validation of the previous excellent operational performance during Stage One operations.

Importantly, additional variability and materials handling / materials construction test work conducted during the pilot plant operations further increased our knowledge of the flowsheet design and product behaviour during operations. This information will assist in optimising operational efficiency improvements and provide significant de-risking of the process.

The HPA product generated from the pilot plant will be checked for quality control and assurance including sending representative samples to an independent laboratory in the US for precise analysis. Once satisfied, FYI will forward trial HPA to designated potential customers with their requested product orders to undertake further detailed qualification assessment. Order sizes vary from 5kg to 20kg of HPA.

FYI will also carry out supplementary finishing work to a portion of the generated product at the request of several significant potential customers. The specially finished HPA product will assist in the qualification process which will be directed towards the LED lighting and lithium-ion battery (LiB) markets in particular.

FYI Managing Director Roland Hill said "We are incredibly pleased with the outcome of the of the Stage Two pilot plant trial production run. This is another significant step up in terms of our project development as the successful operation of the pilot plant is strategically important to us. We continue to demonstrate the effectiveness and efficiency of our low-cost, innovative process flowsheet using conventional processing technologies and in so doing continue to de-risk the project and crucially, demonstrate our HPA production capabilities to our potential partners and off-take groups.

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We are looking forward to fulfilling the HPA product orders and allowing potential customers to progress their respective qualification process using FYI's high-quality alumina and to advance our off-take discussions".

Further pilot plant operations and testwork is planned to be undertaken shortly in anticipation of further orders from potential customers.

FYI will continue to update the market as progress of the qualification assessment continues.

To view the pilot plant in operation during the DFS studies – please see the following link on the Company's website: [Link to video of pilot plant in operation](#)

Authorised for release by Managing Director, Roland Hill.

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About FYI Resources Limited

FYI is developing a long life fully integrated high quality, high purity alumina (HPA) production project for both traditional and growth markets. FYI's corporate objective is to position itself to be a significant producer of HPA within these rapidly developing markets which include applications in LED, electric vehicle, smartphone and television screen as well as other associated high-tech product markets.

On the basis of its recently released DFS and the robust economic business case for production of HPA, FYI's Cadoux project, north-east of Perth in Western Australia, entails controlled production of a 100%-owned feedstock source, mined on a schedule to match supply requirements of a proposed refinery at Kwinana, south of Perth. FYI's ability to control the integrated process should ensure product quality, consistency and provenance – an increasingly important product selection criteria for customers who rely on knowing the origins and record of ownership in a product's supply chain.

The foundation of FYI's HPA strategy is the innovative and integrated processing flowsheet utilising moderate temperature and atmospheric pressure technologies. These factors combine resulting in world class HPA project potential.

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Cautionary Statements

Substance of DFS

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

The DFS assumes a 25-year Project life based only on Proved and Probable Ore Reserves (100%).

The DFS is based on the material assumptions outlined elsewhere in this announcement and the appended summary of the DFS. 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 DFS will be achieved.

To achieve the range of outcomes indicated in the DFS, funding in the order of A\$189 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.

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.

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