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ASX:FYI

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FYI / ALCOA HPA JV RATIONALE

DEVELOPING A WORLD CLASS INTEGRATED
HIGH PURITY ALUMINA (HPA) PROJECT



DISCLAIMER

CAUTIONARY STATEMENT

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The DFS referred to in this presentation 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 DFS assumes as a 25-year Project life based only on Proved and Probable Ore Reserves (100%). The DFS is based on the material assumptions and modifying factors set out in the DFS announcement and the appended summary of the DFS released to ASX on 8 April 2021. 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 US\$202 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 DFS. The contents of this presentation 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 presentation. Some statements in this presentation 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 presentation, 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 presentation nor any information contained in this release or subsequently communicated to any person in connection with this presentation is, or should be taken as, constituting the giving of investment or financial advice to any person. This presentation does not take into account the individual investment objective, financial or tax situation or particular needs of any person.

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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 Oreology 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 Ore Reserve announcement released within the DFS announcement 8 April 2021 and is available to view on the Company's website at www.fyiresources.com.au

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

Metallurgy

The information in this report that relates to metallurgy and metallurgical test work is based on information reviewed and compiled by Mr Alex Borger, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Borger is an employee of Independent Metallurgical Operations Pty Ltd, and is a contractor to FYI. Mr Borger 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 .

General

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.

ALCOA HPA TERM SHEET – BRIEF OUTLINE

FYI successfully develops innovative fully integrated, high quality, ultra-pure alumina (HPA) process

High quality development is supported by extensive testwork, pilot plant trials, engineering studies

DFS* results support best in class project economics – outstanding NPV & IRR, lowest quartile capex and opex, long project life and accelerated project payback

FYI signs HPA Term Sheet with Alcoa to jointly develop HPA project

Alcoa brings HPA project funding, credibility and de-risked development expertise

FYI believes the HPA joint development with Alcoa is the smartest and most commercial step towards realising shareholder value

FYI to continue building value for shareholders

PREAMBLE

SETTING THE STAGE

- FYI has accomplished outstanding HPA project deliverables for the development phase
- Two sets of detailed DFS's outline the robustness and potential for FYI's HPA project
- HPA strategy well timed with its expanding underlying markets
- HPA is technically and commercially challenging:
 - Project delivery risk
 - Financing without off-take
 - Producing off-take without financing
 - Production risk
 - Market credibility / counter party risk
- FYI has maintained a “get into production” philosophy
- Funding, development, construction and operating will be challenging
- FYI's strategy and fundamentals hasn't changed – just got better with introduction of Alcoa
- Both parties have a focus to become a material producer in the HPA industry

PROJECT DELIVERY- THE IMPORTANCE OF ALCOA

THE INTRODUCTION OF ALCOA TO FYI'S HPA STRATEGY BRINGS CREDIBILITY AND DELIVERABILITY TO THE PROJECT

- World's leading alumina producer
- Organisational and technical excellence
- Disciplined project builder and operator
- Global reputation and presence
- Development will benefit from Alcoa's large existing structure and resources
- Established tier 1 customer base
- Increased product marketing (large global team)
- Continual improvement and efficiency philosophy
- Conducted extensive due diligence on FYI
- Due diligence included:
 - Process chemistry
 - Engineering
 - Commercial
 - HPA market dynamics (supply / demand)



Alcoa attracted to FYI:

- Innovative and efficient HPA process development
- Depth and degree of R&D
- Outstanding development success
- Industry leading project economics
- Advanced marketing outreach
- Downstream HPA opportunities
- Low emission production process / High ESG rating

KEY HPA JOINT DEVELOPMENT TERMS

THE STRUCTURED HPA JOINT DEVELOPMENT DE-RISKS THE PROJECT DEVELOPMENT WITH FINANCING IN PLACE

- Binding Term Sheet signed – terms and conditions agreed
- HPA Joint Venture equity
 - Alcoa 65%
 - FYI 35%
- De-risked purposefully structured 3 phase development of initial production of 9,000tpa
 - Phase 1 – final engineering (FED) & (final investment decision (FID)
 - Phase 2 – large scale demonstration plant (1,000tpa HPA)
 - Phase 3 – primary production facility (8,000tpa HPA)
- Alcoa contribute US\$242m of US\$257m (94% of term sheet capital forecast)
- Conservative budget estimates – in line with Alcoa philosophy
- May result in expedited project delivery
- JV is sole HPA vehicle for both parties
- FYI IP and jointly developed IP protected by Agreement
- Target 4N HPA (to include 5N)
- Cadoux remains an asset of FYI

THE ECONOMICS – PROJECT CAPITAL

TERM SHEET CASE (9,000tpa) CAPEX / CONTRIBUTION

| Phase | Phase cost US\$ | Alcoa payment to FYI | Alcoa net payments | FYI net payments |
|----------------------------|-----------------|----------------------|--------------------|------------------|
| Alcoa reimbursement | - | 2.1 | 2.1 | -2.1 |
| 1 | 7 | - | 4.55 | 2.45 |
| 2 | 50 | 5 | 37.5 | 12.5 |
| 3 | 200 | 68 | 198 | 2 |
| Total | 257 | 75.1 | 242.1 | 14.8 |
| % project funding | | | 94% | 6% |

- Capital case represents basis for HPA JV equity earn-in
- Project funding of ~94% is met by Alcoa
- Capital estimates are conservative

HPA – KEY PROJECT ECONOMICS



| ITEM | UNIT | TERM SHEET | COMPARISON CASE |
|------------------------------------|--------------------------------|--------------|-----------------|
| HPA production | Tpa | 9,000 | 9,000 |
| Production grade | Al ₂ O ₃ | > 99.99% | > 99.99% |
| Capital cost (capex) | US\$m | 257 | 257 |
| Operating cost (opex) | US\$/t | 5,968 | 6,417 |
| Project NPV (@8%) (after tax) | US\$b | 820 | 997 |
| Project IRR | % | 51 | 53 (55) |
| Assumed HPA selling price / t | US\$/t | 24,000 (4N) | 26,400 (4N/5N) |
| Annual revenue | US\$m | 213 | 237 |
| Operating margin | US\$/t | 18,032 | 19,983 |
| Annual EBITDA (avg) | US\$m pa | 153 | 171 |
| Project payback | years | 3.4 | 3.2 |
| Debt / financing | | No (Yes) | No (Yes) |
| Exchange rate | A\$:US\$ | 0.72 | 0.72 |
| FYI NPV (@35%) (A\$m) | | 398 | 484 |
| FYI EBITDA pa (@35%) (A\$m) | | 74.3 | 83.1 |

FINANCIAL SUMMARY

FYI HAS COMPLETED AN OUTSTANDING DEVELOPMENT PHASE

CAPITAL

- Alcoa contributes project capital of:
 - Term Sheet case: US\$240m of US\$257m (~94% funding)
 - Base DFS case: US\$220m of US\$226m (~97% funding) - *provided as a capex sensitivity*
 - FYI effectively funded

EBITDA (pro-rata / funded)

- Term Sheet case A\$74.3m pa
- Comparison case A\$83.1m pa
- De-risked EBITDA multiple (10x?)

NPV (pro-rata apportioned)

- Term Sheet case A\$398m
- Comparison case A\$484m

FUTURE HPA DEVELOPMENTS & GROWTH OPPORTUNITIES

FYI / ALCOA HAVE A PORTFOLIO OF HPA DEVELOPMENT PROJECTS

- FYI / Alcoa are committed to expanding the HPA business outside of the primary strategy
- JV are exploring a number of downstream opportunities
- The opportunities include:
 - Lithium-ion battery anode coating studies with Ecograf (ASX:EGR)
 - Separator coating studies and trials
 - Downstream HPA technology media
 - Zero carbon energy studies for FYI's Kwinana HPA site energy requirements
 - Continue ESG improvements relating to HPA production
 - Future Battery Industry (FBI CRC)
 - battery pre-cursor studies
 - HPA waste stream recycling
- FYI and Alcoa will also conduct an extended pilot plant trial commencing 19th October 2021
 - Generate bulk material for potential customer assessment
 - Optimise feedstock
 - Final data for FED and FID

CORPORATE OVERVIEW

| CAPITAL STRUCTURE | |
|----------------------------|-----------------|
| | AMOUNT |
| Total issued shares | 349.2m |
| Options (unlisted) | 16.5m |
| Share price | \$0.44 |
| 12 month range | \$0.13 - \$0.88 |
| Average volume (daily) | 2.5m |
| Market cap (fully diluted) | \$161m |
| Cash on hand | \$13.1m |



MAJOR SHAREHOLDERS

| | |
|--------------------|------|
| Board & Management | 12% |
| Perennial | 5.0% |



ASX: **FYI**
FSE: **SDL**
OTCQB: **FYIRF**

**FOR FURTHER DETAILS
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