

26th September, 2017

ASX Release (ASX code: "FYI")

FYI Proceeds with HPA Acquisition and Strategy Following Positive Due Diligence Review

FYI Resources' (the "**Company**" or "**FYI**") is pleased to announce that the Company has agreed to progress with the purchase of 100% of Kokardine Kaolin Pty Ltd ("**Kokardine**") including the granted exploration tenements, the rights, title and interests of the entity, following the positive due diligence review carried out by FYI over the last few months.

FYI's due diligence review included:

- a drill program to confirm previous drilling and geology as well as expanding the resource by > 50% to 16.1 Mt @ 11.76%Al.
- validating previous project data;
- indicated further potential for expansion by confirming the resource remains open in 3 directions;
- demonstrating outstanding metallurgical recoveries for High Purity Alumina (HPA)
- initial work on the processing design flowsheet for HPA production
- undertaking an initial marketing study

Additional strategy benefits from acquiring Kokardine include:

- addition of technical and commercial team to focus on the HPA development
- inclusion of in-house marketing team (China based)
- potential for multiple revenue lines from Cadoux kaolin products

Following the satisfactory completion of the due diligence, the FYI Board have approved the completion of the Kokardine acquisition based on the quality of the asset and the outlook of the HPA and associated product market. Of particular note is the forecast* uptake in the electric vehicle (EV) and power storage (battery) markets and the impact that this growth is expected to have on HPA demand.

* *Goldman Sachs Research Note September 6, 2017; Morgan Stanley Bluepaper Research Note – "on the Charge" August 31, 2017.*

The initial issue of shares for the acquisition of Kokardine is subject to shareholder approval with the second and third tranche of shares to be issued to the vendors on meeting further key operational and performance objectives (see FYI ASX announcement 8th May, 2017).

Plan Forward

As outlined in its corporate presentation (see ASX release 18th July, 2017), FYI will continue our active approach to the HPA strategy development and our objective of becoming a material HPA producer.

FYI will move quickly to a pre-feasibility study to establish preliminary potential of the Cadoux project economics, a work plan and budget and pathway to production. The study will also identify any data requirements for the next detailed study stage and any potential development challenges.

Company statement

FYI Managing Director, Mr Roland Hill said "With the successful completion and positive outcome of the Cadoux kaolin project due diligence review, FYI's Board fully supports the acquisition of Kokardine and the progressing of the HPA strategy. We consider the Cadoux project to be of a premium quality standard; that combined with the outlook of the various potential HPA markets, we see that there is a positive future for our HPA strategy and are therefore very supportive of the acquisition".

Further information:

Roland Hill
Managing Director
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Competent person statement

The information in this report that relates to the Cadoux Mineral Resources is based on information from the Company's announcement dated 26 July 2017 and is available to view on the Company's website at www.fyiresources.com.au and is based on information compiled by Mr Andrew Kohler, Principal Resource Geologist and a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Kohler is an employee of Strategic Resource Management, and consultant to the Company. Mr Kohler has sufficient experience that is relevant to the style of mineralisation 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 Mineral Resources and Ore Reserves. The Mineral Resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Mr Kohler consents to the inclusion of the report in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

About FYI Resources Limited

FYI is an ASX listed natural resources public company focused on the project development of strategic commodities.

The Company's principal objective is the assembling of a quality portfolio of potash projects in Southeast Asia with the view to long term development and production.

In addition, FYI will also be capitalising on an exceptional opportunity to develop a major HPA (high purity alumina) production project in Western Australia.