

27 November 2017

ASX Release (ASX code: "FYI")

FYI Secures Exclusive Marketing MOU

FYI Resources Limited (the "**Company**" or "**FYI**") is pleased to announce that it has entered into a Memorandum of Understanding (MOU) with Aco Korea ("Aco") for the exclusive marketing in South Korea and China of high purity alumina (HPA) produced by FYI.

The MOU follows FYI's recent announcements on:

- successful test work demonstrating outstanding metallurgical recoveries of 99.99% HPA from the Cadoux kaolin project (*ASX announcement 23 October 2017*); and
- the further development of the HPA strategy with the commencement of detailed metallurgical process studies (*ASX announcement 24 November 2017*).

These developments have provided Aco with confidence in the ability of FYI to produce and fulfil market supply for specialist HPA products.

The MOU will allow the two companies to collaborate on key market development and sales initiatives of FYI's HPA on an exclusive basis in South Korea and China. The MOU with Aco Korea will assist FYI in the supply of HPA into the emerging and expanding markets in those regions.

About Aco Korea

Aco Korea is a South Korean based high-end consumable products marketing group that was established in 2006. The company started business with AkzoNobel for the marketing and supply in South Korea of different business units such as AkzoNobel Salt, AkzoNobel Coating, former AkzoNobel Industrial Textile (now part of Low & Bonar), former AkzoNobel Chemicals for PVC stabilisers, biocide etc (now part of Valtris Specialty Chemicals). From September 2013, due to the growth of the business, Aco Korea became a limited company in South Korea.

MOU Details

The MOU outlines the intention to establish a formal Agency and Distribution Agreement between the two parties for future sales of HPA in Korea and China on an exclusive basis.

A definitive agreement will be drafted between FYI and Aco Korea detailing duties and responsibilities, product volumes, agreement duration, renewal, termination, confidentiality and other commercial provisions to be defined.

Company statement

FYI Managing Director, Mr Roland Hill said "This landmark MOU agreement is an important step forward for FYI. The MOU represents FYI's continuing commitment to advancing the Company's HPA strategy and our long-term vision of becoming a critical and preferred supplier in the HPA market. High purity aluminium is in increasing demand for various high-tech applications – particularly in the LED, Electronic Vehicle and battery markets. Korea is a major end market for HPA, and we look forward to developing a good working relationship with Aco Korea in this region."

Further information:

Roland Hill
Managing Director
Tel: +61414666178

Competent Person statement

Metallurgy:

The information in this release 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). Announcements in respect to metallurgical results are available to view on the Company's website at www.fyiresources.com.au.

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 (The JORC Code). 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.

Forward Looking Statements

There is no certainty that the Company will be able to commercially produce and market HPA and that the MOU with Aco Korea will result in a final agreement for the marketing of any HPA product of the Company in South Korea or China. The Company makes no representations or warranties whatsoever as to the commercial viability of producing HPA from its Cadoux kaolin project. This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.