

24 November 2017

ASX Release (ASX: FYI)

FYI appoints metallurgical study manager

FYI Resources Limited (the “**Company**” or “**FYI**”) is pleased to announce that as a component of its ongoing HPA strategy development, the Company has appointed Independent Metallurgical Operations Pty Ltd (IMO) as metallurgical study manager for the economic studies stage.

The appointment follows FYI’s recent announcement on successful test work demonstrating outstanding metallurgical recoveries of 99.99% High Purity Alumina (HPA) from the Cadoux kaolin project.

The metallurgical studies deliverables will include:

- Brief literature search for existing patents regarding the current HPA flowsheet;
- Scoping study metallurgical testwork aimed at optimising:
 - Pre-beneficiation including attritioning;
 - Leach optimisation;
 - By-product treatment options
- Preparation of base case process flow diagrams.
- Derivation of flowsheet material balances including nominal and design process stream flowrates.
- Base case flowsheet process design criteria (PDC) supported by metallurgical testwork.
- Major process equipment size selection based on study PDC.
- Base case major equipment mechanical equipment list (MEL) and load list.
- Preparation of a factored capital cost estimate for the base case flowsheet supported by PDC and equipment lists.
- Delivery of a base case operating cost estimate.
- Preparation and delivery of an overarching scoping study report including all supporting test data and related study documentation.



HPA from FYI’s successful laboratory trials.

The metallurgical study will lead into the engineering studies and defined project economic studies as per our project development guidance in the “HPA project update” presentation (*see ASX announcement 26 October 2017*).

Company statement

FYI Managing Director, Mr Roland Hill said "FYI has a vision of becoming a significant participant in the global supply of HPA and meeting the forecast demand for high purity alumina required for the increasing product specifications in various high-tech applications. Given the complexities of producing HPA, FYI has now successfully demonstrated that through its high-quality kaolin feedstock and process flowsheet that the product is achievable. We now want to progress to commercial development of the high value product. The ongoing metallurgical studies are critical to the marketable component of the strategy and ultimately to the commercialisation."

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. The Company makes no representations or warranties whatsoever as to the commercial viability of producing HPA from its Cadoux kaolin project. This announcement may contain 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.