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## FYI COMMENCES DRILLING TO PROGRESS CADOUX KAOLIN HPA BFS

### Highlights

- ~1,200m RC and diamond drilling program to commence at the Cadoux kaolin project
- Drilling program to achieve several tasks as part of the Company's Bankable Feasibility Study (BFS) which is expected to be completed in the September 2019 quarter
- FYI to gain an increased understanding of the Cadoux project to augment the Company's HPA strategy

FYI Resources Ltd (ASX: FYI) is pleased to advise it will commence a detailed drilling program at its Cadoux kaolin project in Western Australia this week to further define the deposit and augment the Company's high purity alumina (HPA) strategy.

The drilling program is designed to accomplish several technical tasks for Cadoux; including:

- Increase FYI's understanding of the mineral variability of the kaolin at Cadoux and its impact on potential HPA production;
- Complete detailed ground water investigation as part of environmental studies;
- Generate kaolin feedstock for FYI's planned pilot plant;
- Define the first phase of feedstock material for specific grade and mineralogy; and
- Provide further samples for analysis to be included in the project database.

FYI has planned a program of approximately 1,200m utilising two drilling rigs.

A reverse circulation (RC) rig and a diamond drill rig will operate in sequence to generate samples and technical data that should provide important additional information for the BFS, which is expected to be complete in the September 2019 quarter. Results will also be included in an Environmental Impact Study (EIS) report to be submitted later this year.

FYI Resources Managing Director Roland Hill said, "This drilling program is the next phase in advancing the development of the Cadoux Kaolin HPA Project. The technical accomplishments we have achieved in the development of our flowsheet design has provided us with an excellent understanding of the intricacies of attaining such a high purity (99.999%) alumina product. We really want to now go back to the feedstock (kaolin) to develop a better understanding of the unique characteristics of the deposit to further de-risk the project and ensure quality control of the final product.

"This drilling program will provide further information to support our technical work and also add broader project value by providing secondary hydrological information and enabling environmental data collection."

The primary aim of the drilling is elevating the standard of input data to increase the technical and metallurgical understanding of the kaolin feedstock to assist in refining the

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process flowsheet design in developing the low-risk, low-cost production of high purity alumina products (4N + 5N – please see ASX release 13<sup>th</sup> March 2019).

The drilling is expected to take one week to complete. FYI will report results from the drill program when available.

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**About FYI Resources Limited**

FYI's is positioning itself to be a significant producer of high purity alumina (4N or HPA) in a rapidly developing LED, electric vehicle, smartphone and television screen as well as other associated high-tech product markets.

The foundation of the HPA strategy is the superior quality aluminous clay (kaolin) deposit at Cadoux and positive response that the feedstock has to the Company's moderate temperature, atmospheric pressure HCl flowsheet. The strategy's quality attributes combine resulting in world class HPA project potential.

FYI is progressing positively with its Bankable Feasibility Studies (BFS) and Pilot Plant production studies.

**FYI Resources PFS Summary Results (September 2018)**



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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 Orelogy 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 29 October 2018 and is available to view on the Company's website at [www.fyiresources.com.au](http://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](http://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 Daryl Evans, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). 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". Announcements in respect to metallurgical results are available to view on the Company's website at [www.fyiresources.com.au](http://www.fyiresources.com.au).

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.

## **Cautionary Statement**

### **Substance of PFS**

The PFS referred to in this announcement 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 PFS is based on the material assumptions outlined in the PFS announcement released to ASX on 25 September 2018 and summarised in the Summary of Material Assumptions and Modifying Factors description and tables (appendix 2 and 3) attached to the PFS document. 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 PFS will be achieved.

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To achieve the range of outcomes indicated in the PFS funding in the order of US\$197 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 PFS.

#### **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.