



2 July 2019

FYI'S R&D PAYMENT TO DRIVE PILOT PLANT PRODUCTION

Highlights

- FYI Resources has received a second R&D rebate advance payment of \$250,000
- Additional payments are likely to be received by FYI based on R&D expenditure
- Advance payments are a non-dilutive source of funds assisting in the development of FYI's high purity alumina (HPA) pilot plant
- The pilot plant advances the Company's HPA strategy to become a fully integrated, low-risk, low-cost producer of high purity 4N + 5N alumina products
- Pilot plant commissioning is underway
- FYI continues positive progress with pilot plant, locked cycle and broader bankable feasibility studies (BFS).

FYI Resources Ltd (**ASX: FYI**) is pleased to advise it has received a second tranche payment of \$250,000 advanced against its expected 2019 R&D tax rebate, following the initial payment of \$300,000 previously announced on 27 March 2019.

FYI will direct the funds towards the development and operation of a pilot plant for its 100%-owned Cadoux Kaolin Project in Western Australia. This pilot plant forms an essential component in achieving the Company's aim of becoming a fully integrated, low-risk, low-cost producer of high purity 4N (99.99%) and 5N (99.999%) alumina products.

FYI Resources Managing Director Roland Hill said, "The R&D funding is important in the context of the development work we are achieving with our pilot plant test work. We are succeeding with our technical aim of producing high quality 4N and 5N products, and with the R&D rebate funds directed towards the pilot plant development, we envisage that the test work will result in us realising our commercial goals as well. We are aiming to be a dominant producer of HPA to address the dramatic growth in demand for high quality alumina forecasted for the battery and static energy storage industries driven by the global uptake in electric vehicles.

The pilot plant results will play a critical role in the process risk mitigation and in demonstrating the viability of our innovative HPA production and refining process as well as providing product samples for potential customers and assisting financing."

Pilot Plant update

The pilot plant construction is nearing finalisation and preliminary pre-commissioning phases of the key equipment list has begun. A few minor delays have been experienced due to some small manufacturing defects in the specialised equipment supplied by independent contractors, however, the metallurgical manager, Independent Metallurgical Operations, have adjusted the work plan and plant operation schedule to minimise any time delay.

A more detailed pilot plant commissioning update will be released to the market shortly.

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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.