

ALCOA MOU PROGRESS UPDATE

Key points

- FYI and Alcoa progressing HPA project development activities positively in line with MOU
- Collaborative HPA trials are a condition precedent under the agreement
- FYI's HPA pilot plant will be re-commissioned in mid-December following a refurbishment of which Alcoa is funding all costs associated with the pilot plant trial
- Functional testwork and improved process operation will be performed for scale up factors
- Working together, FYI and Alcoa aim to validate the HPA flowsheet for technical and economic purposes

FYI Resources Ltd (**ASX: FYI**) is pleased to announce that the Company's high purity alumina (HPA) pilot plant is being prepared for further detailed product trials in conjunction with Alcoa Australia, Limited ("Alcoa") as a key activity to progressing the MOU.

FYI and Alcoa entered a MOU on the 8th September 2020 for the potential development of FYI's innovative, fully integrated, high quality HPA project. Collaborative operation and demonstration of FYI's pilot plant is one of several conditions' precedent under the MOU.

The refurbishment of FYI's purpose-built pilot plant, located in Welshpool Western Australia, is being finalised to accommodate key design and materials handling refinements required for the potential joint operations. The commissioning of the apparatus and pilot plant circuit will commence shortly, with trial production slated to start in the second week in December.

Pilot Plant trial

FYI has developed an innovative processing flowsheet design that has demonstrated production of high purity, high quality HPA. Previous production test trials have resulted in outstanding quality HPA which is currently being assessed by potential off-take parties for product suitability.

Under Alcoa's oversight, the pilot plant is scheduled to operate continuously for one week, as per previously conducted trials, at a rate of approximately 1kg per hour.

The cost of refurbishment of the FYI pilot plant and operation of the trial is being funded by Alcoa.



FYI's purpose-built pilot plant being refurbished for the Alcoa MOU trial operation



3rd December 2020

Objective of Pilot Plant Cooperation

The purpose of the imminent pilot test work is to provide Alcoa with confidence through direct participation in the operation of the HPA refining process. This validation of the key technical and operational parameters of the flow sheet are a key condition to the terms of the JV being established.

There is the potential to improve the project economics and over-all HPA strategy as a result of Alcoa's involvement, due to their high technical standards and extensive alumina operating experience. This may result in refinements to the flow sheet, materials of construction and handling and other potential enhancements to the process.

Next Steps

The pilot plant refurbishment is nearing completion and will be finalised over the course of the next week. The commissioning phase will then take place ahead of the continuous plant operation which is due to commence in mid-December and be in production for one week.

Following the completion of the joint trial production, the end product will be examined for quality control before being sent to selected end users for detailed quality assessment and product qualification testing.

An assessment of the resulting data and technical information by both Alcoa and FYI may lead to the framework of the JV.

Commenting on the joint pilot plant trial with Alcoa, FYI Managing Director, Roland Hill, said *"The pilot plant trial is a key step in establishing the foundation for the potential joint venture. FYI is looking forward to continuing the successful track record of production trials and delivering on our target outcomes."*

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About FYI Resources Limited

HPA is increasingly becoming the primary sought-after input material for certain high-tech products principally for its unique properties, characteristics and chemical properties that address that applications high specification requirements such as LED's and other sapphire glass products.

The longer-term driver for HPA, with forecasts of >17% CAGR, is the outlook for the burgeoning electric vehicle and static energy storage markets where the primary function is in the use as a separator material between the anode and cathode in batteries to increase power, functionality and safety of the battery cells.

FYI's is positioning itself to be a significant producer of 4N and 5N HPA in the rapidly developing 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.

About Alcoa

Alcoa is a global industry leader in the production of bauxite, alumina and aluminium, a position enhanced by a portfolio of value-added cast and rolled products and select energy assets. Since developing the aluminium industry more than 130 years ago, Alcoa has built a legacy of breakthrough innovations and best practices that have led to efficiency, safety, sustainability and stronger communities wherever they operate.

Alcoa of Australia Limited (Alcoa) is owned 60 per cent by Alcoa Corporation and 40 per cent by Alumina Limited.

The Australian operations represent one of the world's largest integrated bauxite mining, alumina refining and aluminium smelting systems and add value to Australia's local, state and national economies at every stage.

Alcoa's operations support approximately 4,250 direct jobs, predominantly in regional Australia.