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ASX:FYI | OTCQX:FYIRF

# FYI Resumes Control of HPA Project

*FYI to continue HPA project development without Alcoa*

## Key-Points-

- **FYI and Alcoa of Australia signed a Term Sheet for joint development of an HPA project in September 2021**
- **Since then the HPA project has advanced considerably and has benefited from Alcoa's project development rigour and investment of more than US\$5 million**
- **Even though the merits of the project have been demonstrated, Alcoa has elected to withdraw from the project**
- **FYI retains joint access to intellectual property (IP), data and information, project assets and customer relationships relating to the project**
- **HPA has been FYI's core focus for over 5 years – Resuming control of the project will enable FYI to manage the HPA development strategy, timing, budgets, milestones and communications and ownership of future cashflows**
- **FYI remains fully committed to the HPA project and will develop an alternative plan and schedule**

Emerging critical mineral company FYI Resources (ASX:FYI) (or the **Company**) advises it will resume control of its high purity alumina (HPA) development strategy following a decision by project partner, Alcoa of Australia Limited (a subsidiary of Alcoa Corporation), to withdraw from the project.

Alcoa of Australia and FYI executed a binding term sheet in 2021 to jointly develop HPA production. Alcoa contributed approximately US\$5 million for stage one development activities. Alcoa has stated that work completed to date had "demonstrated the merit of (FYI's) process to produce high purity alumina", but it had decided not to pursue further HPA development at this time.

FYI will retain joint access to all HPA project IP, data and information, assets and customer relationships developed during the project.

FYI have been, and continue to be, committed to progressing the HPA project development considering the commercial advantage of FYI's innovative process flowsheet, its high quality HPA, the positive customer response to the product coupled with the strong forecast growth in market demand.

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### **FYI Resources Managing Director Roland Hill commented:**

“While this is not the outcome we envisaged, the HPA project has advanced considerably, benefitting from Alcoa's rigour and US\$5 million investment. FYI recognizes the value proposition of the strategy and views regaining control and management of the project as an opportunity.

As HPA has been our core focus for more than five years. We will move ahead with our HPA development strategy, having retained our original IP and all information and data gathered during development. Importantly, we also retain joint access to all assets and customer relationships built during the joint development stage. Furthermore, the market response for our high quality, high purity HPA is extremely positive, and we will concentrate on those relationships.

Resuming control of the project will enable FYI to drive the development, including regular timeline and milestone updates, with an agile and innovative approach whilst providing clarity and transparency via shareholder communications. FYI intends to adopt a project schedule with emphasis on an accelerated timelier approach to development. We have a highly experienced team that can move the project forward.”

### **Next steps**

FYI's short term priorities for the HPA development are:

- Revise and redefine the HPA project development with a “speed to market” approach
- Continue investigating alternative funding sources
- Incorporate current critical minerals industry and government support into long term development plans
- Incorporate developed process optimisation and improvements (including flowsheet efficiencies and decarbonisation technologies)
- Finalise process technology development and scale-up factors suitable for a commercial HPA facility
- Continue HPA product market development with new and established potential customers

FYI has a preferred site near Kwinana, Western Australia for a small-scale HPA demonstration plant and is considering further commercial site options.

FYI will construct a detailed alternative development plan and schedule for the revised small scale production facility and incorporate the ongoing product marketing and customer outreach activities.

FYI is adequately funded with \$10.1 million in treasury (as at 31<sup>st</sup> January 2023) to continue the small scale production / demonstration development work.

FYI expects the joint project closure obligations to be completed by the 15<sup>th</sup> of March 2023.



This announcement is authorised for release by Roland Hill, Managing Director

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**About FYI Resources Limited**

FYI has developed an innovative process design for the integrated production of high quality, high purity alumina (HPA) predominantly for electric vehicles (lithium-ion batteries), sapphire glass, LEDs / micro-LEDs and other broader tech applications.

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

FYI applies both an ESG and economic overlay of the Company and its operations to ensure long-term sustainable and shareholder value is created via the development of the Company's innovative, high quality, ultra-pure HPA project.

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 those applications high specification requirements such as LED's and other sapphire glass products.

The longer-term driver for HPA, with forecasts of >17% year on year growth (GAGR)\*, 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.

The foundation of the HPA strategy is the Company's moderate temperature, atmospheric pressure innovative process flowsheet. The strategy's quality attributes combine resulting in world class HPA project potential.

\* CRU HPA Industry Report 2021