8 May, 2017 **ASX Release (ASX code: "FYI")**

FYI to enter High Purity Alumina sector

FYI Resources is pleased to update the market on recent Company developments.

Highlights

- FYI identifies premium integrated mining and processing opportunity
- High purity alumina (**"HPA"**) is used in the manufacture of high tech products
- End-use includes the battery, sapphire glass (smart phones, televisions, watches), light-emitting diodes (**"LED"**) lights, electronic circuitry markets
- HPA is a critical feedstock to high growth new age markets

Background

FYI is fully committed to progress its Southeast Asian potash strategy and in particular continuing the reviews and joint venture negotiations on the Sino-Lao Potash project in Laos.

However, whilst the potash strategy is continuing, FYI proposes to pursue a high purity alumina development opportunity in Western Australia through the purchase of 100% of the shares of Kokardine Kaolin Pty Ltd ("**Kokardine**").

Kokardine has been evaluating a vertically integrated HPA production strategy through the mining of kaolin from their wholly owned kaolin resource in Western Australia then processing the feedstock directly into high purity alumina (Al_2O_3). High purity alumina is used in many high-tech markets such as batteries, sapphire glass for phone and television screens, and LED lights.

The preferred processing facility site would be in Western Australia, the location of which is expected to be confirmed in a prefeasibility study to be undertaken by FYI.

HPA Industry Outline

HPA (Al_2O_3) is a high purity non-metallurgical alumina product with a higher finished aluminium grade than 99.9% (3N). HPA is categorised on the basis of purity level (i.e. 99.99% (4N), 99.999% (5N)) and of its application. The average price received for HPA increases commensurate with the escalation in purity level. HPA has beneficial characteristics especially suited to rapidly developing high tech markets. These qualities include superior hardness, low density, geothermal and electrical conductivity and high corrosion resistance.

High Purity Alumina (Al_2O_3)

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HPA serves as a base material in the manufacture of sapphire substrates which are in turn key in the production of various product applications such as LEDs, scratch-resistant artificial sapphire glass, and single crystal materials for the use in electronic screens such as those found in smart phones, televisions and watches. In addition, important growing markets are to be found in battery technologies, and as anode/cathode separators for the electric-powered vehicle and home power storage markets. These sectors are all high-end markets that are expected to show continued strong year on year growth in the mid to long term.

About Kokardine Kaolin Pty Ltd

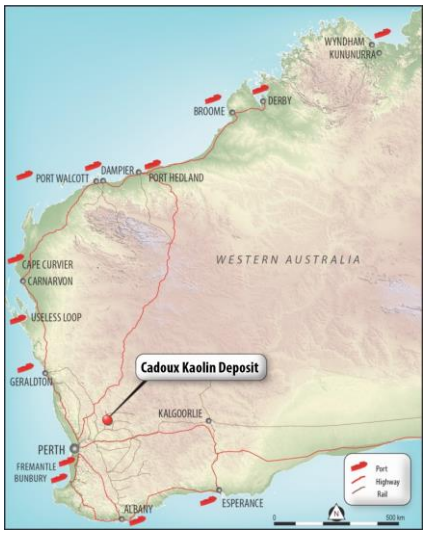
Kokardine is the 100% owner of the Cadoux kaolin project situated on Exploration Licence 70/4673, located approximately 220 kilometres North East of Perth, Western Australia.

The project has a current JORC Inferred Resource of 10.5Mt @ 11.25% Al (@ -45microns) and has low deleterious elements with suitable specifications for HPA processing (refer Resource Report section).

The resource's characteristics of elevated aluminium combined with low impurities, expected low strip ratio and proximity to Perth and major infrastructure, highlights this project potential as a significant asset.

Transaction Outline

FYI has signed a Share Purchase Agreement with the owners of Kokardine to purchase 100% of the shares in the company, subject to completion of due diligence in respect to the size and quality of the kaolin deposit and the tenement being in good standing. The conditions of the agreement are to be satisfied or waived no later than 31 July 2017. Depending on the completion of due diligence, FYI will be working to achieve completion of the agreement in mid to late June 2017. This allows FYI to gain control of the wholly owned Cadoux project and to collaborate on the development of a significant high technology integrated value chain strategy for HPA.



Transaction Structure

The purchase is by way of shares only and includes milestone payments to Kokardine's current management once key performance related milestones are achieved.

The three payment stages for the Kokardine transaction are:

Tranche 1: the issue of 21,428,571 FYI shares (an equivalent value of $750,000 @ $0.035cps) as payment for the Kokardine shares and securing the HPA project strategy and management team

Tranche 2: the issue of 12,500,000 FYI shares contingent upon:

a) the Company establishing a JORC total Mineral Resource of 12.0Mt inclusive of at least 2.5Mt in the Indicated Resource category of kaolin with an average aluminium grade in excess of 11% and cut-off industry standard specifications for kaolinite of maximum values of 0.7% Fe_2O_3, 0.5% TiO_2 and 2% K_2O impurities by September 2017; and

b) the FYI share price achieving $0.06 for a period of 30 consecutive days.

Tranche 3: the issue of 10,000,000 FYI shares contingent upon:

a) a positive prefeasibility study for the Project being completed by 31 March 2018; and

b) the FYI share price achieving $0.10 for a period of 30 consecutive days.

Tranches 2 & 3 will be subject to shareholder approval. The shares issued to the vendors will be voluntarily escrowed for 12 months from the date of issue.

FYI will secure the services of the Kokardine management team, which is considered critical in progressing the project.

FYI may appoint a Kokardine vendor to the FYI Board following successful completion of the key performance milestones or at an earlier time if deemed appropriate.

Development Strategy

Whilst the HPA strategy being developed by Kokardine is already well defined, the development plan will be accelerated using the FYI structure as a platform. FYI will provide the necessary resources to assist in achieving the key milestones.

Next Steps

FYI will undertake a drilling program during May to confirm the size and quality of the deposit with the results expected to be used to determine a JORC indicated resource with suitable characteristics for HPA production. The program includes:

1. A 1,077 m aircore drilling program expected to commence 14th May 2017
2. Laboratory analysis and testing of drilling
3. Resource definition and upgrade
4. Metallurgical test work confirming suitability for HPA production.

FYI will concentrate its efforts towards completing a feasibility study by end of first quarter 2018.

Cadoux Resource Report

Geology

The Cadoux kaolin project area lies within easily accessible and flat lying countryside. There is no outcropping, however, recognizable granitoid fragmental rocks are sometimes present just below the surface.

Previous drilling at the project revealed a weathering profile which is common in Western Australia with the granitoid rocks being deeply weathered forming a leached, kaolinized zone under a lateritic crust. Laboratory analysis shows particle size distributions are typical of "primary style" kaolins produced from weathered granites.

The crust of the overburden comprises gravel and sands over reddish to off white clay to an average depth of 5m. White kaolin underlies the overburden averaging approximately 16 m followed by weathered orange to yellow sandy and mottled clays that are partially oxidised and then followed in profile by recognizable rounded fresh granitoid material at depth. The thickness of the kaolin profile varies from less than 1m to a maximum of 22m. Fresh granitoids are found interspersed at depths of between 10 and 30m.

All of the current kaolin resource is within 4 to 11 metres of the surface.

Drilling technique

All drilling was by air core method with vertical (-90) holes to geological basement generating drill chips / cuttings. The drill collars were sighted using GPS. The holes are on a 200m x 200m spacing.

The cuttings from each unit length of hole are brought to the surface which constitute a sample of the geological formation at the interval of depth from which it is derived. The sampled material was composited into two metre sample intervals then logged in detail by the qualified site geologist. This data was later validated and entered into the geological database for the project and rock type codes were added for the ease of display on the sections.

Sampling Techniques

The sampling involved a total of 69 samples being taken from the drill core/ chips of the air core drill for analysis. Only the visually bright white kaolin material was sampled in each hole. Sub Samples were also collected from the composite samples as a check analysis.

Criteria for classification

The Mineral Resource Estimate to JORC 2012 standards is based on previous work carried out in 2013 by Strategic Resources Management Pty Ltd on the Cadoux Kaolin Project. The final Cadoux Kaolin Inferred Resource resulting from the resource estimate process is based on information from 47 aircore drill holes from which 27 bulk samples were taken of the kaolin mineralised intercept, one bulk from each hole. Plus 70, 2m interval sample composites were also taken.

No down hole surveys were done as the holes were relatively shallow and all drilling was vertical. A total of 47 aircore holes for 824.4metres were drilled.

The geostatistical data supported the classification of Inferred. The grade estimation method technique used Inverse distance squared with a minimum block size of 0.125 metres in the vertical direction. Spatial analysis of the data shows continuity of between 300 to over 500m in the major and semi major directions.

Sample analysis method
Samples from the Cadoux drilling were sent to Bureau Veritas Australia Laboratories located in Canning Vale, Perth Western Australia. Bulk samples of 1m intervals were taken from the aircore drill rig. Two consecutive 1m samples were then speared and added to a single sub sample to form a 2m composite that was submitted to the Bureau Veritas Laboratory. The laboratory pulverised the samples to 95% passing 75 microns.

The method used for analysis of the 2m sample composites were for the elements Al, Ba, Fe, K, Mg, Mn, Na, P, S. Sr, Ti, V, Zr and Zn by Mixed Acid Digest / analysis ICP –AES. Particle sizing was carried out to check the pulverisation of the samples was within limits. 69 samples were taken altogether of the kaolin zone in each drill hole.

Data compilation and validation
Data was cross checked with the original logs and design plans. Sample labels were cross checked with the original logs and field records prior to entry into an access database which was mapped using Surpac software and visually checked in Surpac against the field sections. A plan of the computer generated hole collars was checked against the original hole design drill holes and the field copy of the drill hole layout plan. The assay data from the laboratory was also cross checked.to ensure the sample labels were not mixed up.

The laboratories QAQC of assay results were examined and found to be satisfactory. After this validation process the data was ready to use for modelling including the collar, assaying and geology logging data.

Estimation method
The drilling and assaying culminated in a JORC 2012 compliant Kaolin Resource estimate. Kokardine Kaolin Ltd commissioned a maiden Resource Estimate to JORC 2012 compliance from Strategic Resources Management Pty Ltd on the Cadoux Kaolin Project.

The final Cadoux Kaolin Resource resulting from the Resource estimate process is:

Table 1: Kaolin JORC Resource

	tonnage	% -45 microns	Average Al %	Average Fe%	Average Ti %
Inferred Resource	10,469,985	84.4	11.25	0.36	0.25
Total Resource base	**10,469,985**	**84.4**	**11.25**	**0.36**	**0.25**

Notes: the %minus 45 micron was measured by wet screening.
Assays were determined by ALS using ICP
Dry bulk density of 1.7t/m3

A minimum thickness of 2m was required and the Kaolin material had to be visually bright white to be included in the estimate.

Cut-off grade
Industry cut-off standard specifications for Kaolinite are quoted as having maximum values of 0.7% Fe2O3, 0.5% TiO2 and 2% K2O. ISO brightness is also measured

Mining methodology
No mining has taken place on the property.

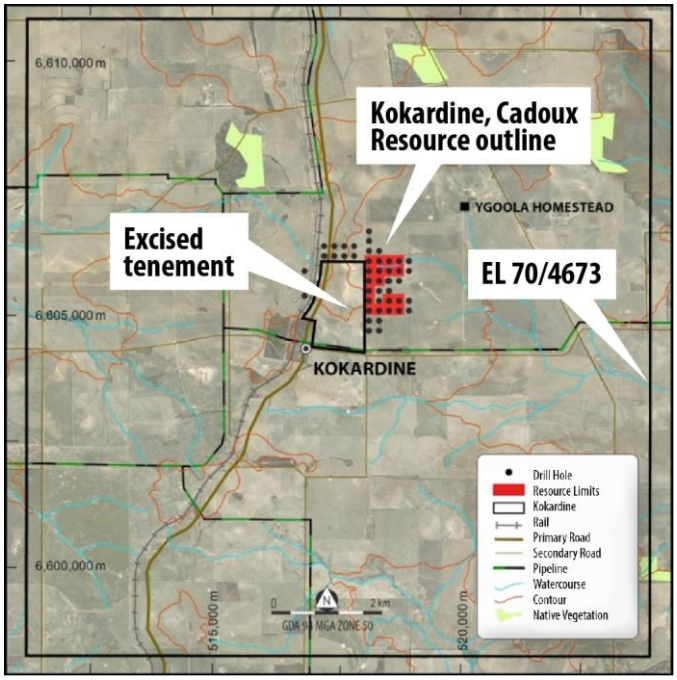


Figure 1: Kokardine Kaolin Resource outline and EL70/4673 boundary

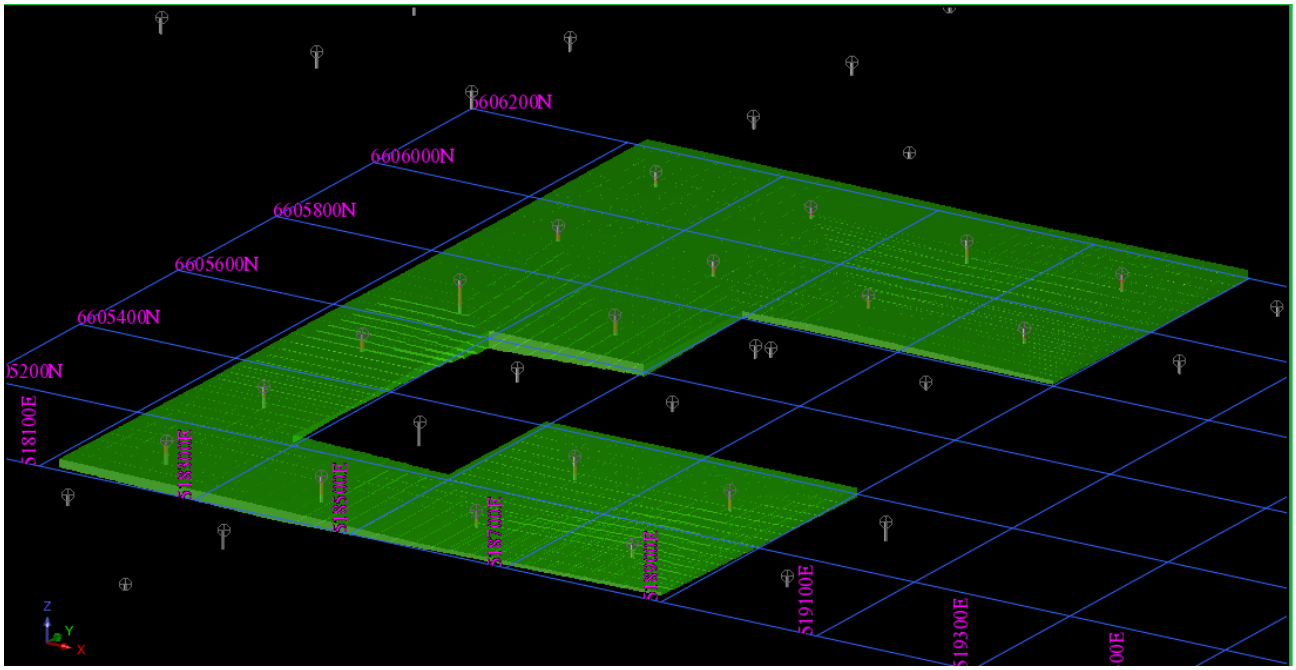


Figure 2: Kokardine, Cadoux Kaolin resource wireframe and drilling

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About FYI Resources Limited
FYI is an ASX listed natural resources focused public company. The Company's principal objective is the assembling of a quality portfolio of potash projects in Southeast Asia with the view to long term development and production. Certain areas in Southeast Asia have the potential to host world class potash deposits.

In addition, FYI will also be capitalising on an exceptional opportunity to develop a major HPA (high purity alumina) production project in Western Australia.

Competent person statement
The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew Kohler, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Kohler is an employee of Strategic Resource Management, and consultant to the Company. Mr Kohler has sufficient experience that is relevant to the style of mineralisation 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 Mineral Resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Mr Kohler consents to the inclusion of the report in the form and context in which it appears.

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	Air core samples were collected at 1m intervals from a rig mounted riffle or cone splitter. 75% of each metre sample was collected in a 900x600mm green plastic bag, and the remaining 25% (split sample) was collected in a 610x405mm green plastic bag. The split samples were collected directly from the cyclone because the samples for assay were to be collected in plastic rather than calico bags (% moisture needs to be measured, and fine dust (red) can get into the calico).
Drilling techniques	Air Core drilling using a Mantis 100 drill rig with an NQ Air Core sand bit.
Drill sample recovery	Actual recoveries from Air Core drilling were not measured, however it is demonstrated from core sample photos of each hole that samples were even sized and reported that recovery of drill samples from all holes were of an acceptable standard.
Logging	Chip tray samples were taken along with usual logging and the chip tray samples were non-sieved and dry. All holes were field logged by 1m intervals by a qualified geologist for geological characteristics.
Sub-sampling techniques and sample preparation	All sampling procedures for the Air Core drilling have been reviewed by a qualified geologist and are considered to be of a high standard. Air Core drilling procedure was 1m samples split using a rig mounted cone splitter and collected in marked plastic bags. 1-2kg was collected in small green plastic bags and 4-6kg was collected in large green plastic bags. All samples were dry. 1-2kg samples totalling 824metres were brought back to Perth and sorted into composites. 70, 2m composite samples were made up from the 824 metres that intercepted the kaolin material. The composites were made using a spear making sure equal amounts were collected from each metre, thus giving a homogeneous of each metre amount in the composites. Samples were submitted to ALS laboratories in Perth (using ICP analysis methods), Western Australia. Also using a spear technique 27 bulk samples were taken of the Kaolin material intercepted in 27 out of a total of 47 holes. Samples were sent to the Bureau Veritas Australia Laboratories for XRF analysis on a range of elements and kaolin parameters. The QAQC information of the laboratory was used to determine the QAQC of the samples because commercial standards for kaolin are not readily available. Mr Kohler has reviewed the QAQC data and has found it to be acceptable.
Quality of assay data and laboratory tests	Analysis for Sizing, SiO_2, Al_2O_3, Fe_2O_3, TiO_2, CaO, MgO, K_2O, Na_2O, P_2O_5, Mn_3O_4, V_2O_5, Cr_2O_3, BaO, ZrO_2, ZnO, SrO and LOI, was completed using XRF. The majority of duplicates are within tolerance of the original assay and without bias. Mr Kohler reviewed internal QAQC reports and analysis and confirms that all assay data used has passed standard industry quality assurance/quality control procedures.

Criteria	Commentary
Verification of sampling and assaying	No verification sampling or drilling has been carried out. This is planned for the scheduled drilling program.
Location of data points	All drill holes used in the resource estimate have been accurately surveyed using Garmin GPSMAP 62s equipment (+/-5m accuracy) by the geologist on site. No down hole surveys have been conducted however all holes are drilled vertically.
Data spacing and distribution	47 holes were drilled in approximately 2km square at 200m spacing. The drill spacing was considered adequate to establish both geological and grade continuity for definition of Inferred Mineral Resource. Samples were composited to 2m for analysis.
Orientation of data in relation to geological structure	The orientation of the drilling is approximately perpendicular to the strike and dip of the mineralisation and the risk of sample bias is considered to be low.
Sample security	All samples were under supervision from the rig to the laboratory. All residual sample material is stored securely in sealed bags.
Audits or reviews	Mr Kohler has reviewed QAQC results and found these to be acceptable.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The granted Exploration Licence 70/4673 in Western Australia, covering an area of 59km2.
Exploration done by other parties	White Gold Kaolin (WGK) carried out all the previous prospecting and drilling work that is on the tenement EL 70/4673. The aircore drilling comprises of 47 drill holes for 824m. The exploration work was carried out from 2011 to 2014.
Geology	The project area is underlain by weathered granitoid Archaean rock of the Yilgarn Granites is the likely parent material for the kaolin. Here, deep weathering of the feldspathic and ferromagnesian minerals within the metamorphosed granitic has resulted in the formation of kaolinite. There is no outcrop but recognizable granitoidal fragmental rocks are sometimes present just below surface. The crust of the overburden comprises gravel and sands over reddish to off white clay. White kaolin underlies the overburden followed by weathered, partial oxidised and then fresh granitoids at depth. The recent drilling at the property has revealed a weathering profile which is very common in Western Australia with the granitoid rocks, deeply weathered forming a leached, kaolinized zone under a lateritic crust. Analysis at the Laboratory shows particle size distributions are typical of "primary style" kaolins produced from weathered granites. The crust of overburden comprises gravel and sands over reddish to off-white clay to an average depth of 5m. White kaolin then averages approximately 16 m before orange to yellow sandy and mottled clays are intersected which are followed by recognizable rounded granitoid material.

Criteria	Commentary
	The thickness of the kaolin profile varies from less than 1m to a maximum of 22m. Fresh granitoids are found at depths of between 10 and 30m. All kaolin resources are within 4 to 11 metres of the surface. 47 air core drill holes were completed with a total of 824m drilled. All holes were drilled vertically. Intersected kaolin thickness ranged from 4-11m.

Drill hole Information

Hole_id	North	East	Elevation	hole_depth	hole_path	Prospect	mineral	Kaolin intercept	Grid				
CXAC001	6604700	518400	500	7	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC002	6604900	518400	500	22	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC003	6605100	518400	500	30	Vertical	Kokardine	Kaolin	11	GDA	94	MGA	Zone	51
CXAC004	6604700	518200	500	8	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC005	6604900	518200	500	12	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC006	6605100	518200	500	27	Vertical	Kokardine	Kaolin	8	GDA	94	MGA	Zone	51
CXAC007	6605300	518200	500	24	Vertical	Kokardine	Kaolin	7	GDA	94	MGA	Zone	51
CXAC008	6605500	518200	500	21	Vertical	Kokardine	Kaolin	12	GDA	94	MGA	Zone	51
CXAC009	6605700	518200	500	39	Vertical	Kokardine	Kaolin	25	GDA	94	MGA	Zone	51
CXAC010	6605900	518200	500	18	Vertical	Kokardine	Kaolin	8	GDA	94	MGA	Zone	51
CXAC011	6606100	518200	500	18	Vertical	Kokardine	Kaolin	6	GDA	94	MGA	Zone	51
CXAC012	6606300	518200	500	15	Vertical	Kokardine	Kaolin	2	GDA	94	MGA	Zone	51
CXAC013	6606500	518200	500	15	Vertical	Kokardine	Kaolin	1	GDA	94	MGA	Zone	51
CXAC014	6606700	518200	500	8	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC015	6606200	517900	500	21	Vertical	Kokardine	Kaolin	1	GDA	94	MGA	Zone	51
CXAC016	6606400	517900	500	17	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC017	6606400	517700	500	20	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC018	6606200	517700	500	20	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC019	6606200	517500	500	19	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC020	6606400	517500	500	9	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC021	6606400	517300	500	21	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC022	6606200	517300	500	6	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC023	6605400	516900	500	16	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC024	6605600	516900	500	12	Vertical	Kokardine	Kaolin	2	GDA	94	MGA	Zone	51
CXAC025	6605900	516900	500	21	Vertical	Kokardine	Kaolin	6	GDA	94	MGA	Zone	51
CXAC026	6605100	518600	500	20	Vertical	Kokardine	Kaolin	6	GDA	94	MGA	Zone	51
CXAC027	6605100	518800	500	15	Vertical	Kokardine	Kaolin	5	GDA	94	MGA	Zone	51
CXAC028	6605100	519000	500	12	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC029	6605300	518400	500	27	Vertical	Kokardine	Kaolin	1	GDA	94	MGA	Zone	51
CXAC030	6605300	518600	500	27	Vertical	Kokardine	Kaolin	10	GDA	94	MGA	Zone	51
CXAC031	6605300	518800	500	24	Vertical	Kokardine	Kaolin	10	GDA	94	MGA	Zone	51
CXAC032	6605300	519000	500	21	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC033	6605500	518400	500	16	Vertical	Kokardine	Kaolin	4.5	GDA	94	MGA	Zone	51
CXAC034	6605500	518600	500	11	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC035	6605700	518400	500	24	Vertical	Kokardine	Kaolin	11	GDA	94	MGA	Zone	51
CXAC036	6605700	518600	500	10	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC037	6605700	518580	500	15	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC038	6605900	518400	500	18	Vertical	Kokardine	Kaolin	7	GDA	94	MGA	Zone	51
CXAC039	6605900	518600	500	15.5	Vertical	Kokardine	Kaolin	9	GDA	94	MGA	Zone	51
CXAC040	6605900	518800	500	18	Vertical	Kokardine	Kaolin	5	GDA	94	MGA	Zone	51
CXAC041	6605900	519000	500	15	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC042	6606100	518400	500	14	Vertical	Kokardine	Kaolin	4	GDA	94	MGA	Zone	51
CXAC043	6606100	518600	500	27	Vertical	Kokardine	Kaolin	15	GDA	94	MGA	Zone	51
CXAC044	6606100	518800	500	21	Vertical	Kokardine	Kaolin	11	GDA	94	MGA	Zone	51
CXAC045	6606100	519000	500	11	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC046	6606300	518400	500	8	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51
CXAC047	6605700	518800	500	9	Vertical	Kokardine	Kaolin	0	GDA	94	MGA	Zone	51

Data aggregation methods

The Model required a minimum thickness intercept of 2m of kaolinite with the requirement of having to be visually bright white to be included in the estimate. Samples within the wireframe were composited to 2m intervals based on visually contiguous down-hole intervals. The intervals were selected by the site project Geologist. No high-grade cuts were applied. Industry standard for Kaolinite cut-offs are a maximum value of 0.7% Fe2O3, 0.5% TiO2 and 2% K2O. Assay results from drilling were all lower than the cut-off values.

Criteria	Commentary
Relationship between mineralisation widths and intercept lengths	All drill holes are vertical. The orientation of the drilling is approximately perpendicular to the strike and dip of the mineralisation.
Diagrams	Refer to figures 1-2
Balanced reporting	The reporting is considered to be balanced.
Other substantive exploration data	Nothing material to report.
Further work	Mr Kohler recommends further drilling and metallurgical study to continuing the current QAQC practices with close monitoring and reviewing of results. Mr Kohler also recommends a bulk sampling or suitable drilling program to conduct metallurgical test work to determine the appropriate Kaolin product mix. Mr Kohler recommends infill drilling between sections, with a 100m - 100m spaced program in the resource area and extending south to infill and expand the resource. This will allow for follow up of the brightness of the Kaolin will be ascertained, measured and modelled and density of the material will be adequately determined and modelled.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	Mr Kohler performed initial database audits as follows: Drill hole collar coordinates were checked against hole labels and drill hole logs and coordinates as well as visually on the field plan and sections. The hole depths were checked by looking at the logs and also the drillers plots and the field drill hole sections. Assay data was checked against logs of the intercepts and the submission sheets and the spread sheet of two and from data made during logging process. A final check was made of the database against the drill logs.
Site visits	A site visit has not been undertaken by the competent person. The drilling program was supervised in-field by Mr Kohler's designated Project Geologist, under overall supervision of the competent person.
Geological interpretation	Geological drilling has confirmed a generally continuous kaolinite unit within 70/4673. One discrete high grade zone of visually bright white Kaolinite has been confirmed.
Dimensions	The Kokardine, Cadoux deposit extends for approximately 1.2km in a NS and 1km in the EW direction and is open in the north, south and east directions. The kaolinite extends from near-surface to 30m below the surface.
Estimation and modelling techniques	The Cadoux deposit was domained based on kaolinite occurrence of 2m thickness and kaolin had to be visually bright white to be included in the estimate one domain was created and applied as a hard boundary in the estimate. Statistical analysis was carried out on data from the kaolin domain.

Criteria	Commentary
	High grade cuts were not applied as low co-efficients of variation (CV) were observed. The block model used a parent block size of 25m NS by 25m EW by 2m vertical. The block size was selected on the basis of approximately an eighth of the nearest drill hole spacing. The dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction. Inverse distant squared interpolation method was used.
Moisture	Moisture content has not been ascertained. Mr Kohler estimates the moisture to be in the range of 7-14% moisture. Tonnage estimates are based on the assumed bulk density (1.7m3/t) that is deemed to be a dry weight.
Cut-off parameters	Overall the kaolinite unit displays good continuity. The Model used Kaolinite that was logged visual as being bright white and the elements modelled were below the cut-off industry standard specs for Kaolinite of maximum values of 0.7% Fe2O3, 0.5% TiO2 and 2% K2O. Grade-tonnage plots were produced to allow further studies.
Mining factors or assumptions	No Assumptions have been made and the model is undiluted at this time.
Metallurgical factors or assumptions	No assumptions have been made regarding metallurgy.
Environmental factors or assumptions	A mining concept study has been completed by Steve O'Grady of Ravensgate International Pty Ltd that outlines the mining methodology, mining equipment, site layout, and outlines the storage of waste rock in waste rock dumps adjacent to the resource.
Bulk density	A bulk density of 1.7 was used for the kaolinite unit, which is based on conservative estimations from previous studies of other kaolin deposits. Density sample test work program is needed to verify this assumption.
Classification	Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC 2012) The classification of the Mineral Resource was completed by Andrew Kohler (AusIMM). The reasonable drill hole spacing and demonstrated continuity of mineralisation warranted a classification of Inferred Mineral Resource.
Audits or reviews	Internal audits have been completed by Mr Kohler as a Competent Person and the Mineral Resource estimate was considered to be satisfactory.
Discussion of relative accuracy/ confidence	Global and locally the statistics of the drill hole data values compare well to the block model values the coefficient of variation is low. The histograms and cumulative frequency graphs of drill hole data versus the model compare well. Conditional bias was also examined by Mr Kohler and was found to be satisfactory for all attributes modelled. Comparison of model blocks to drill hole data correlate well.