

20 November 2017

ASX Release (ASX: FYI)

## **FYI PLACEMENT COMPLETED OVERSUBSCRIBED**

---

Perth based FYI Resources Limited (the "**Company**" or "**FYI**") is pleased to announce that the Company successfully raised \$600,000 (before costs) through a share placement supported by Peloton Capital. The Placement, announced 7 November, was 3.5 times oversubscribed.

### **HPA Quality**

The market response was on the back of the Company's recent announcement of achieving recoveries of 99.99% HPA ( $\text{Al}_2\text{O}_3$ ) and confirmation of the process flowsheet (see ASX announcement 23 October 2017).

The successful flowsheet and attaining of the 99.99%  $\text{Al}_2\text{O}_3$  purity is the basis for FYI's HPA strategy and sets out the framework for our development plans.

### **Placement Details**

The Company has issued 13.3 million shares at a price of 4.5 cents per share raising \$600,000. An attaching unlisted option was issued for every two shares issued. The options will have an exercise price of 10 cents each and expire 31 January 2019. The Placement was made to professional and sophisticated investors and the securities issued pursuant to ASX listing rules 7.1 and 7.1A (refer to the following Appendix 3B).

The funds raised will be used for continued high purity alumina metallurgical studies and refining of the process; commencement of the project economic studies; continued HPA product marketing review; progressing the Company's Southeast Asia potash study; and costs of the issue and working capital.

### **Outlook**

FYI's strategy is to develop a world class HPA production facility utilising the Company's own high-quality feedstock to address a growing demand for superior specification and high-grade alumina.

The HPA demand is being driven by the necessity of high tech products and product development to incorporate increasingly higher specification materials fit for increasing design requirements.

Examples of this are second generation LED lighting, advances in battery and power storage technologies and Electric Vehicle efficiencies.

FYI is aiming to be a significant participant in addressing the growing HPA demand.

### Information Required Under Listing Rule 3.10.5A

The Placement shares were issued pursuant to ASX listing rules 7.1 and 7.1A and the attaching options issued pursuant to ASX listing rule 7.1. FYI Resources provides the following information as required under ASX listing rule 3.10.5A:

- a) The dilution to existing shareholders at the time of the Placement as a result of the issue under ASX listing rule 7.1A was 9.09%.

Details of the approximate percentage of the issued capital post the Placement of shares under ASX listing rule 7.1A held by the pre-Placement shareholders and new shareholders are:

Pre-Placement shareholders who did not participate in the Placement	90.91%
Pre-Placement shareholders who did participate	2.45%
Participants in the Placement who were not previously shareholders	6.64%

- b) FYI Resources issued shares to sophisticated investors as it was considered to be a more efficient mechanism for raising the funds for this Placement. The Placement did not expose the Company to the market volatility that it may have experienced over a more extended capital raising process such as a pro-rata issue;
- c) No underwriting arrangements were in place for the Placement; and
- d) The capital raising fees payable to the brokers to the Placement are 6% of the total funds raised. Peloton Capital also received 2,000,000 options for managing the Placement.

### Section 708A Notice

The shares issued are part of a class of securities quoted on the ASX Limited. The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The securities are issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act. The Company, as at the date of this notice, has complied with:

the provisions of Chapter 2M of the Corporations Act; and  
Section 674 and 675 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

**Further information:**

Roland Hill  
Managing Director  
Tel: +61414666178

**About FYI Resources Limited**

FYI is an ASX listed natural resources public company focused on the project development of strategic commodities.

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.

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**

Metallurgy:

The information in this release 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). 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).

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 (The JORC Code). Mr Evans consents to the inclusion of the information in the form and context in which they appear. 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.

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

FYI Resources Limited

ABN

85 061 289 218

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | 1. Ordinary shares<br>2. & 3. Unlisted Options                                     |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1. 13,333,330<br><br>2. 6,666,668<br><br>3. 2,000,000                              |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully paid<br><br>2. & 3. Exercisable at 10 cents each expiring 31 January 2019 |

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. Yes</p> <p>2. No. Shares issued on exercise of options will rank equally with existing shares on issue.</p>
5	Issue price or consideration	<p>1. Shares issued at 4.5 cents each.</p> <p>2. Nil. 6,666,668 options attaching to shares (1.) on a 1 for 2 basis.</p> <p>3. Nil.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. &amp; 2. Funds raised will be used for continued HPA metallurgical studies and refining of the process; commencement of project economic studies; continued HPA product marketing review; progressing the Company's southeast Asia potash study; and costs of the issue and working capital</p> <p>3. Consideration to broker for managing the Placement.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	<p>4,093,330 shares</p> <p>8,666,668 options</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	9,240,000 shares
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	Nil
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes Issue date: 17 November 2017 Agreement date: 6 November 2017 Issue price: \$0.045 15 day VWAP: \$0.05303 VWAP source: Miraqle (Orient Capital)
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 1,101,598 securities  Rule 7.1A – 1,064 securities
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	17 November 2017

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		105,743,973	Ordinary shares
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		2,250,000	Director Incentive Options exercisable at 8.8 cents each expiring 29 November 2018
		8,666,668	Options exercisable at 10 cents each expiring 31 January 2019
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy at this time.	

+ See chapter 19 for defined terms.

## **Part 2 - Bonus issue or pro rata issue**

- |    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   |  |
| 12 | Is the issue renounceable or non-renounceable?  |  |
| 13 | Ratio in which the <sup>+</sup> securities will be offered  |  |
| 14 | <sup>+</sup> Class of <sup>+</sup> securities to which the offer relates  |  |
| 15 | <sup>+</sup> Record date to determine entitlements  |  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  |  |
| 17 | Policy for deciding entitlements in relation to fractions   |  |
| 18 | Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations  |  |

---

<sup>+</sup> See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

---

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

---

+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

---

<sup>+</sup> See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

---

#### Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

---

+ See chapter 19 for defined terms.

**Quotation agreement**

- 1      +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2      We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4      We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:      *Phillip MacLeod*  
Company secretary

Date: 20 November 2017

Print name:      Phillip MacLeod  
                                     == == == == ==

---

+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for <sup>+</sup>eligible entities

Introduced 01/08/12

#### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	81,467,786
<b>Add</b> the following: <ul style="list-style-type: none"><li>• Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li><li>• Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li><li>• Number of partly paid ordinary securities that became fully paid in that 12 month period</li></ul> <b>Note:</b> <ul style="list-style-type: none"><li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li><li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li><li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li></ul>	7,142,857 3,800,000
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	92,410,643

---

<sup>+</sup> See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	13,861,596
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>4,093,330 shares</p> <p>8,666,668 options</p>
<b>“C”</b>	12,759,998
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p><b>“A” x 0.15</b></p> <p><i>Note: number must be same as shown in Step 2</i></p>	13,861,596
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	12,759,998
<b>Total [“A” x 0.15] – “C”</b>	<p><b>1,101,598</b></p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b> <i>Note: number must be same as shown in Step 1 of Part 1</i>	92,410,643
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10 <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	9,241,064
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	9,240,000 shares
<b>“E”</b>	9,240,000

---

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	9,241,064
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	9,240,000
<b>Total</b> [“A” x 0.10] – “E”	<b>1,064</b> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

---

+ See chapter 19 for defined terms.