

8th August 2018

CHINA HPA MARKETING UPDATE

HIGHLIGHTS:

- Successful China HPA marketing trip completed in July
- Meetings with 15 industry participants to understand HPA product specification requirements, pricing and demand
- Cost advantages for Chinese HPA production from traditional bauxite processes being eroded
- Positive growth expected for the HPA market through expansion of existing and new applications
- Outlook for HPA pricing looks to be supported by demand growth
- Key finding to be utilised in PFS and future economic studies

High Purity Alumina (HPA) developer, FYI Resources Limited (ASX: FYI) (the "Company" or "FYI"), is pleased to provide an update on the Company's continuing evaluation of the HPA market and product offtake opportunities.

FYI management recently undertook a marketing trip through China meeting with a number of participants in the HPA sector to gain insight into their product specifications, characteristics and supply, the demand and the pricing metrics for the high value 4N (99.99%) and 5N (99.999%) Al_2O_3 products.

Given HPA is generally seen as a new and developing niche product with non-transparent trading characteristics, FYI has engaged with a speciality metals advisory group with deep relationships into the markets of China, Taiwan, Korea and other Asian producers and consumers of HPA.

Key observations from discussions include:

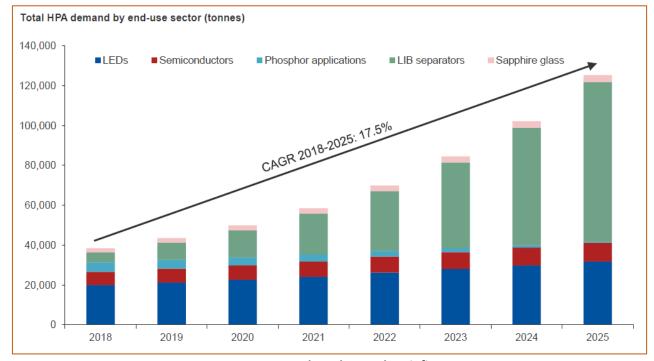
- Indication that the traditional cost advantages are being eroded for Chinese HPA production from traditional bauxite processes such as low labour rates, cheap raw materials and energy due to increasing inflation, power restrictions and in particular, their ever-increasing environmental regulations.
- Positive growth for the HPA market through an expansion of existing and new applications according to leading commodity analysis group, CRU, who have provided valuable market intelligence on the increasing relevance of HPA. A recent presentation by CRU on the growing electric vehicle market and HPA's role within the segment may be viewed on the Company's website via the following link: http://www.fyiresources.com.au/media/files/Presentations-CRU-Perth-Tech-Metals-Briefing.pdf (presentation provided with permission by CRU. See section #4 for HPA detail).

According to CRU, the HPA market should experience continued strong industry growth from its traditional markets such as high-performance LED substrates, sapphire glass related products (electronic screens) but also be further positively impacted by the global uptake in electric vehicles



8th August 2018

and other emerging battery / power storage applications which require high specification HPA in the separator component between the anode and cathode of the power cells (LIB separators).



Source: CRU, Perth Tech Metals Briefing June 2018

Outlook for pricing – FYI's investigations suggest that a range between US\$20 – 30/kg for 99.99% purity HPA with evidence that it likely to increase with increasing demand from an evolving market.

The key information derived from the marketing trip will be used in FYI's prefeasibility study (expected to be completed during the September quarter) as well as for further product development purposes.

FYI Managing Director, Mr Roland Hill commented on the HPA product definition and marketing trip by saying "the Chinese domestic market for HPA appears very supportive of new supply projects and important to the overall HPA market. Attaining a good understand of the dynamics of the China market is important to our strategy going forward. Our resulting view is very positive on the fundamental long-term outlook for HPA as we look forward to completing our Pre-feasibility Study in the September quarter. We will continue with our market evaluations of the other key markets of Taiwan, Japan and Korea during 2018."



8th August 2018

Further information:

Roland Hill Managing Director Tel: +61 414 666 178

roland.hill@fyiresources.com.au

Simon Hinsley
Investor & Media Relations

Tel: 0401809653

simon@nwrcommunications.com.au

About FYI Resources Limited

FYI is positioning itself to be a significant producer of high purity alumina (4N & 5N 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 the exceptional positive metallurgical response that the feedstock has to the Company's moderate temperature, atmospheric pressure and straightforward HCl flowsheet. The strategy's superior quality feedstock attributes combine with an engineered lower cost production resulting in world class HPA project potential.