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Cadoux Ore Reserve
Additional Supporting Information

Highlights:

- Cadoux's Probable Ore Reserve Estimate (ORE) of 2.89Mt grading 24.4% Al_2O_3 demonstrates project quality
- The ORE supports a mine life of +50 years at an 8,000tpa high purity alumina (HPA) production rate
- ORE focuses on a sub-set of the larger Cadoux kaolin deposit for optimal HPA feedstock characteristics
- FYI has customised the Ore Reserve to its HPA flowsheet to maximise processing efficiencies and product quality, providing greater operating confidence and management of kaolin feedstock
- Cadoux kaolin deposit remains open for further tonnage increases / mine life expansion

FYI Resources Limited (ASX: FYI) previously announced a maiden Ore Reserve Estimate (ORE) for its 100% owned Cadoux kaolin project on 24 October 2018 and now provides additional information regarding the ORE under ASX listing rule 5.9.

The Cadoux kaolin project (E70/4673) is situated approximately ~220km northeast of Perth, Western Australia. This ORE follows an updated Mineral Resource Estimation (MRE), calculated by CSA Global for the recently published Cadoux pre-feasibility study (PFS) (see ASX announcement 25 September 2018, section 7). The MRE focused on a targeted subset of the larger Cadoux indicated resources reported in July 2017 and was selected for optimal mining and economic parameters. The MRE is set out in table 1 below.

Domain	Classification	Million	AL_2O_3%	Fe_2O_3%	K_2O%
Low K_2O	Indicated	2.1	25.9	1.0	0.2
	Inferred	4.3	23.3	0.7	0.3
	Indicated + Inferred	**6.5**	**24.1**	**0.8**	**0.3**
High K_2O	Indicated	1.1	21.6	0.9	2.6
	Inferred	2.0	20.1	0.8	3.0
	Indicated + Inferred	**3.1**	**20.6**	**0.9**	**2.8**
Combined	**Indicated + Inferred**	**9.6**	**23.0**	**0.8**	**1.1**
Combined	Indicated	3.2	24.4	1.0	1.0
	Inferred	6.3	22.3	0.7	1.2
	Indicated + Inferred	**9.6**	**23.0**	**0.8**	**1.1**

Table 1: Mineral Resource estimate results for Cadoux HPA Project as at September 2018

Note: The Mineral Resource was estimated within a constraining wireframe solid defined by the logged and assayed white kaolin, separated into two domains based on a nominal cut-off of 1% K_2O. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding

Ore Reserve Estimate

The Cadoux project's Ore Reserve Estimate, prepared by Orelogy Consulting Pty Ltd (Orelogy), has a Probable Ore Reserve of 2.89Mt grading 24.4% Al_2O_3 (see Table 2 below). The Ore Reserve is based on the Indicated Mineral Resources, any Inferred material has been excluded from the Ore Reserve Estimate. The Cadoux kaolin ORE is capable of supporting HPA production for more than 50 years.

The Ore Reserve for the Cadoux HPA Project was estimated in accordance with the JORC 2012 Code. The Ore Reserve estimate is based on the Indicated Mineral Resource, metallurgical test work, processing and engineering designs, the Kwinana processing plant and associated infrastructure, cost estimation, planning inputs, variables and assumptions, marketing and pricing research, all of which is detailed in the mining section of Company's recently published PFS report.

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Stage	Probable Ore		Waste	Total Mining	Strip Ratio
	kT	Al_2O_3 %	kT	kT	
1	172	24.8	317	489	1.8
2	175	25.1	225	400	1.3
3	175	24.5	255	430	1.5
4	165	22.7	376	541	2.3
5	165	23.4	396	561	2.4
6	192	25.9	290	482	1.5
7	247	26.1	159	406	0.6
8	130	25.5	125	254	1.0
9	92	23.5	167	258	1.8
10	169	25.6	364	533	2.1
11	275	23.0	481	756	1.8
12	347	24.4	535	882	1.5
13	225	24.8	499	724	2.2
14	363	23.5	774	1,137	2.1
All Stages	2,891	24.4	4,961	7,852	1.7

Table 2: Cadoux maiden Probable Ore Reserve Estimate, October 2018

Note: The Ore Reserve Estimate was prefaced on a staged mining approach, using Indicated Mineral Resources only. Differences may occur due to rounding.

The Ore Reserve includes the information provided in the previous MRE and includes data from FYI's reverse circulation (RC) drilling program concluded in May 2018 (see ASX announcement 7 May 2018). The ORE focuses on the Indicated material of the Cadoux resource highlighted in the plan below.

Whilst the ORE has a mine life of more than 50 years, financial modelling for the project pre-feasibility study was completed on the basis of a 25-year life with various operational and financial sensitivities analysed to confirm that the project generates positive economical returns and has a reasonable likelihood of success.

The Company has also identified potential additional project revenue opportunities from by-products derived from processing the kaolin. This additional revenue potential is the subject of ongoing studies and assessment.

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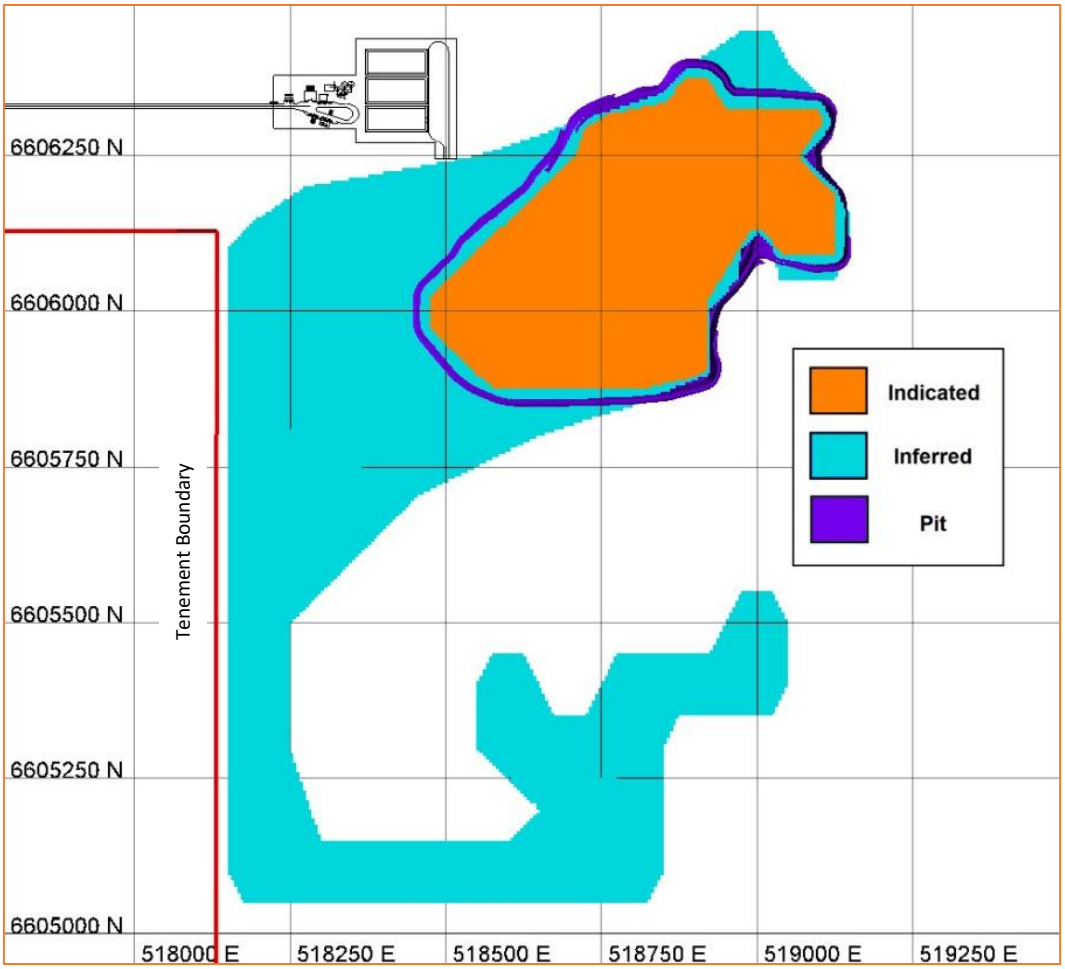

Figure 1: Cadoux maiden Ore Reserve Estimate – mining area of focus

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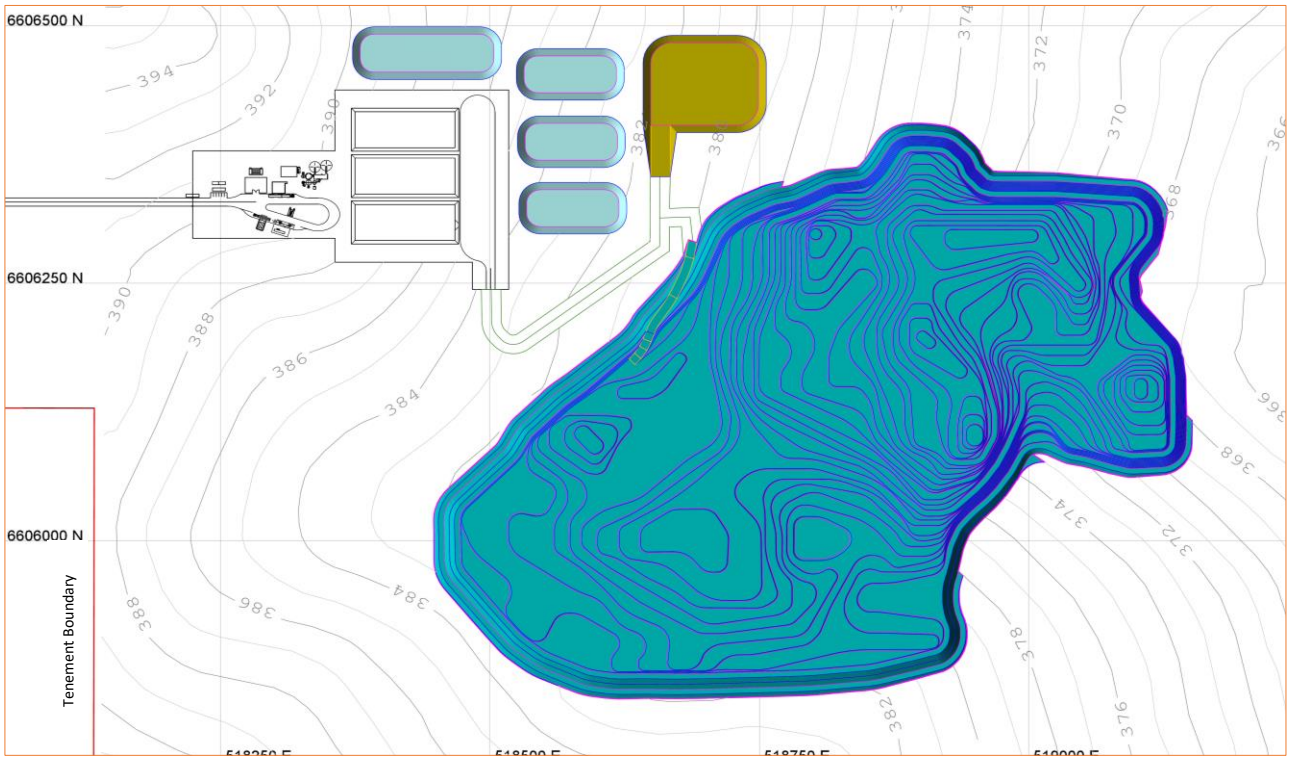

Figure 2: Cadoux kaolin project – potential open pit outline and mine infrastructure layout

Additional information required by ASX Listing Rule 5.9.1

The previously reported outcomes of the PFS were modelled on a 25 year project life (project model) which is a subset of the Ore Reserve life of mine (LOM), which is 52 years. Details of the financial analysis and the assumptions and sensitivities are set out in the PFS announced 25 September 2018.

A summary of the key inputs and results from the PFS based on the LOM (LOM model: 52 years) are set out below.

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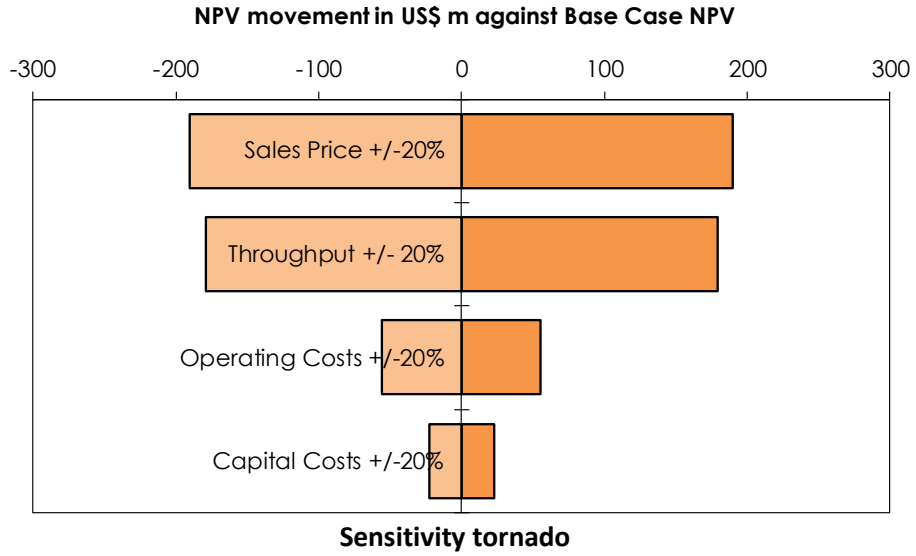
PFS summary key inputs / results (LOM model)	Unit	Amount
Key inputs		
HPA production	tpa	8,000
Production grade	Al2O3	>99.99%
Capital cost	US$ m	179
Capital cost / t	US$ / t	22,344
Forecast average operating costs	US$ / t	6,467
Forecast revenue / t	US$ / t	24,000
Discount rate	%	10%
Key Results		
NPV	US$ m	560
IRR	%	46%
Project payback	yrs	3.6
Annual EBITDA (avg)	US$ m	128
Total LOM net operation cash flow	US$ m	4,699
Annual revenue (avg)	US$ m	190
Life of Mine - total revenue	US$ m	9,926

As per figure below, the project is highly sensitive to changes in the adopted pricing of HPA, throughput and less sensitive to changes in operating and capital expenditure. A decrease in the sales price and or throughput of 20% will deduct US$190 million or US$179 million respectively from the NPV.



Sensitivity tornado

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A conventional open cut mining method was adopted due to the shallow depth of the orebody. Because of its nature it is suitable for free digging (i.e. no drilling and blasting) and backfilling to keep the footprint of the operation small. Mining activities at Cadoux are planned on a campaign basis by contract miners. Each campaign generates 3 years of ore supply in a 3-month period. The ore is placed on a stockpile and the contractor demobilises after completion of the campaign. Backfilling would commence during the second campaign. The following inputs and assumptions were used in the pit optimisation process:

- the Mineral Resource Estimate prepared by CSA Global and Reserve Estimation prepared by Orelogy Consulting;
- only Indicated resource materials was converted to ore reserves;
- ore loss of 10% with zero dilution to minimise contamination from overburden, basement materials and ramp and bench sheeting materials;
- pit slopes of 35 degrees;
- Cadoux mining and beneficiation rates at 50,000dtpa;
- kaolin concentrate transport and HPA feed rates of 24,500dtpa;
- HPA production rate of 8,000tpa of 99.99% Al_2O_3 (4N);
- total Al_2O_3 recovery (ore mined to finished product) at Cadoux and Kwinana of 65%;
- mining cost A$7.60/t mined (inclusive of mining costs, mobilisation and demobilisation costs);
- product sale price US$24,000/t HPA;
- royalties 5% of product revenue;
- exchange rate A$:US$ of 0.75, and
- discount rate of 10%.

Mining costs were estimated from Orelogy's internal database and experience with similar projects. All equipment and supporting facilities such as workshop, oil storage, fuel storage, store, office, lunch room and ablutions are assumed to be mobilised and demobilised for each mining campaign. Mining method and assumptions were detailed in Section 8 of the PFS announcement to ASX dated 25 September 2018.

HPA production is segmented into two operating sites; one being the beneficiation at Cadoux and the second being the refining at Kwinana. The PFS contemplates an initial 24,500 tpa of beneficiated ore being received from Cadoux for refining using a proven process flowsheet (achieving 99.997% Al_2O_3 grade) and upon reasonably standardised and "off-the shelf" technologies and equipment and an output of 8,000 tpa of final product (HPA). The HPA would be packaged to the market's requirements and transported to Fremantle port for export.

Only Indicated Resource materials were considered as potential ore material. A 7.5% Al_2O_3 ore/waste cut-off grade was utilised in the pit optimisation process. No other quality parameters were applied during the Ore Reserve estimation.

The modifying factors considered for the project are detailed in JORC 2012 Table 1, Section 4 (appended to this announcement) regarding Estimation and Reporting of Ore Reserves. These pertain to factors or assumptions regarding to mining, metallurgy, environmental, social, infrastructure, costs, revenue, marketing, project economics, risks and legal matters and include:

- Botanica Consulting Pty Ltd has undertaken baseline studies as well as flora, fauna and other essential permitting studies at both the Cadoux and Kwinana project sites and have found no major impacts on the environment or on mining.;

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- The Company owns the granted exploration licence 70/4673 in Western Australia, covering an area of 59 km^2 and is up to date with statutory expenditures;
- The project is located on private land;
- Cadoux is located 220km north east of Perth with the project area having access to major arterial roads, rail, mains water, telephone line and a 33KVA power line – all within 1km of the project;
- Labour, utilities, services, accommodation and transport are accessible as there are a number of small towns in the area, the major regional town of Wongan Hills is 60kms in distance and Perth is in easy driving distance of approximately 2 hours;
- There are no existing Native Title claims on the Cadoux project tenements. Broader stakeholder and community engagement will be ongoing over the development of the project;
- No major or material legal Agreements exist in respect to the Company at this stage;
- There is one marketing arrangement signed at this point (memorandum of understanding) regarding marketing of HPA in Korea;
- All statutory government agreements, permits and approvals commensurate to the current status of the project are all current and in good order; and
- A Mining Lease is yet to be granted for the Cadoux site.

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About FYI Resources Limited

FYI is positioning itself to be a significant producer of high purity alumina (4N or HPA) in a rapidly developing: LED, electric vehicle (EV), smartphone and television screen as well as other associated high-tech product markets.

The foundation of FYI's HPA strategy is the quality aluminous clay (kaolin) deposit at Cadoux and exceptional positive response that the feedstock has to the Company's moderate temperature, atmospheric pressure HCl flowsheet. The strategy's superior quality attributes combine resulting in world class HPA project potential.

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Competent Persons Statements

Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by Mr. Steve Craig, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Steve Craig is a full-time employee of Orelogy Consulting Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Steve Craig gives his consent to the inclusion in the statement of the matters based on their information in the form and context in which it appears.

Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw, under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global. Dr Scogings is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. He is a Registered Professional Geologist in Industrial Minerals. Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves". The information is extracted from the PFS announcement dated 25 September 2018 and is available to view on the Company's website at www.fyiresources.com.au .

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 and that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Metallurgy

The information in this report 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). 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". Announcements in respect to metallurgical results are available to view on the Company's website at www.fyiresources.com.au . 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.

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Cautionary Statement

Substance of PFS

The PFS referred to in this announcement is a study of the potential viability of the Cadoux Project. It has been undertaken to understand the technical and economic viability of the Project.

The PFS is based on the material assumptions outlined in the PFS announcement released to ASX on 25 September 2018 and summarised in the Summary of Material Assumptions and Modifying Factors description and tables (appendix 2 and 3) attached to the PFS document. These include assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by this PFS will be achieved.

To achieve the range of outcomes indicated in the PFS funding in the order of US$197 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

It is also possible that the Company could pursue other "*value realisation*" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS.

General and forward-looking statements

The contents of this announcement reflect various technical and economic conditions, assumptions and contingencies which are based on interpretations of current market conditions at the time of writing. Given the nature of the resources industry, these conditions can change significantly and without notice over relatively short periods of time. Consequently, actual results may vary from those detailed in this announcement.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Such forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. When used in this announcement, words such as, but are not limited to, "*could*", "*planned*", "*estimated*", "*expect*", "*intend*", "*may*", "*potential*", "*should*", "*projected*", "*scheduled*", "*anticipates*", "*believes*", "*predict*", "*foresee*", "*proposed*", "*aim*", "*target*", "*opportunity*", "*nominal*", "*conceptual*" and similar expressions are forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

The contents of this release are also subject to significant risks and uncertainties that include but are not limited those inherent in mine development and production, geological, mining, metallurgical and processing technical problems, the inability to obtain and maintain mine licences, permits and other regulatory

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approvals required in connection with mining and processing operations, competition for among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of projects and acquisitions, changes in commodity prices and exchange rates, currency and interest rate fluctuations and other adverse economic conditions, the potential inability to market and sell products, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, environmental, native title, heritage, taxation and other legal problems, the potential inability to secure adequate financing and management's potential inability to anticipate and manage the foregoing factors and risks.

All persons should consider seeking appropriate professional legal, financial and taxation advice in reviewing this announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company. Neither the provision of this announcement nor any information contained in this announcement or subsequently communicated to any person in connection with this announcement is, or should be taken as, constituting the giving of investment or financial advice to any person. This announcement does not take into account the individual investment objective, financial or tax situation or particular needs of any person.

Appendix 1: JORC (2012) Table 1

Sections 1, 2 and 3 were extracted from previous FYI announcements.

Section 1: Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	Aircore (AC) samples were collected at 1 m intervals from a rig mounted riffle or cone splitter. 75% of each metre sample was collected in a 900 mm x 600 mm green plastic bag, and the remaining 25% (split sample) was collected in a 610 mm x 405 mm 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). Reverse circulation (RC) chip samples were collected at 1 m intervals from a cone splitter mounted on the side of the RC rig. 75% of the sample volume from each drilled metre was collected in a 900 mm x 600 mm green plastic bag, and the remaining 25% of volume is used to generate a split sample which is collected in a 200 mm x 150 mm calico bag and then placed into a green plastic bag and sealed to retain sample moisture. The split samples were collected directly from the cyclone/splitter because the samples for assay are also measured for in situ moisture. The samples were composited into 2 m samples (generated from the drill rig cone splitter) and sent to Intertek for sampling analysis + moisture testing.
Drilling techniques	AC drilling using a Mantis 100 drill rig with an NQ AC sand bit. The RC drilling program used a 450 Schramm drill rig with KL rod handler, auto maker/breaker slips table, rig-mounted cone sampling system and with hammer and blade bit capabilities. Both hammer and blade drilling were employed on various selected holes to gauge variability and quality of sample return as well as to compare with repeat holes from previous drilling.
Drill sample recovery	Actual recoveries from AC 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. Sample recoveries from the RC drilling were weighed and measured and sizes recorded demonstrating that sample recovery from all holes was of an acceptable standard. Photos of separate chip (cuttings) trays were also taken to demonstrate the lithology profile of the hole. Selected samples were also tested for moisture content – allowing a greater confidence in sample return quality and for specific gravity testing.

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Criteria	Commentary
Logging	AC: 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 1 m intervals by a qualified geologist for geological characteristics. RC: Chip tray samples were taken along with normal logging procedures and protocols. Two sets of logging and sample correlation was conducted on site during the drilling and sampling program. The chip tray samples were non-sieved and dry and photographed on a whole hole basis. All holes were field logged by 1 m intervals by a qualified geologist for a variety of geological qualities, characteristics and definition.
Subsampling techniques and sample preparation	All sampling procedures for the AC drilling have been reviewed by a qualified geologist and are considered to be of a high standard. AC drilling procedure was 1 m samples split using a rig mounted cone splitter and collected in marked plastic bags. 1–2 kg was collected in small green plastic bags and 4–6 kg was collected in large green plastic bags. All samples were dry. 1–2 kg samples totalling 824 m were brought back to Perth and sorted into composites. Seventy 2 m composite samples were made up from the 824 m 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 x-ray fluorescence (XRF) analysis on a range of elements and kaolin parameters. The quality assurance and quality control (QAQC) information of the laboratory was used to determine the QAQC of the samples because commercial standards for kaolin are not readily available. All sampling procedures for the RC drilling have been reviewed by a qualified geologist and is considered to be of a high standard. The RC drilling sampling procedure was 1 m samples split using a rig mounted cone splitter and collected in marked plastic bags. A 2 m composite sample was generated from 1–2 kg collected in small calico bags which were then placed in small green plastic bags. These were marked with corresponding sample numbers. At regular and ad-hoc intervals, repeat samples were taken and noted as well as interspersed standard samples of quartz (blank) and kaolin (standard) were also included at a 1:9 interval as sample checks for QAQC. All samples were sent to Perth to Intertek for laboratory sampling interspersed with the RC drilling program samples. Larger (5–10 kg) samples were collected in large green plastic bags on a 1 m sample basis and sent to Independent Metallurgical Operations (IMO) for further metallurgical testwork purposes. All samples were dry. 715 1–2 kg samples (including repeats and standards) totalling 1,613 m of drilling were brought back to Perth for testing. Total sample returns were measured by weighing and estimating return volume percentages. All samples were “dry” other than the occasional sample that may have been affected by water introduced by the driller to remove pipe blockages. The 2 m composite samples were generated from the rig mounted cone splitter ensuring equal amounts were collected from each metre, thus giving a homogeneous volume for each metre in the composites. Samples were submitted to Intertek laboratories in Perth, Western Australia for XRF analysis methods on a range of elements and kaolin parameters as well as testing for in-situ moisture.
Quality of analytical data and laboratory tests	AC: 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. Majority of duplicates are within tolerance of the original assay and without bias. RC: 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, Cr_2O_3 and LOI, was completed using XRF methods in a globally recognised analysis laboratory. All the inserted repeat samples, duplicates, blanks and standards are within tolerance of the original assay and without significant bias. The internal standard, blank and duplicate results are within acceptable limits and indicate that the field and laboratory sample preparation was under control.
Verification of sampling and analyses	AC: Geological personnel supervised the sampling, and infill drillholes were completed. Primary data are captured on paper in the field and then re-entered into spreadsheet format by the supervising geologist, to then be loaded into the company’s database. No adjustments are made to any assay data.

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Criteria	Commentary
	The RC drilling program also included verification drilling and sampling of the previous AC drilling program that was completed in May 2017. The verification included six repeat RC holes against the previous AC holes. Analysis of the chemical analysis results indicated that there was minimal bias between the two drilling types and mean grades are very similar indicating that the previous AC drilling could reasonably be used in a Mineral Resource estimate (MRE). Sample information is recorded at the time of sampling on field logging sheets using standard logging codes and then re-entered into spreadsheet format for loading to the company's database.
Location of data points	AC: All drillholes have been surveyed using Garmin GPSMAP 62s equipment (±5 m accuracy) by the geologist on site. No down hole surveys have been conducted however all holes are drilled vertically. RC: All drillholes have been accurately surveyed by a licensed contract surveyor (±10 cm accuracy). The collar locations were also checked by the site geologist using a Garmin GPS at site. All holes are vertically drilled up to a maximum of 34 m and were followed up with downhole surveying by Surtech Geophysical Services.
Data spacing and distribution	AC: 98 AC drillholes for 1,840.5 m, with hole depths ranged from 6 m to 36 m depending on the depth of kaolin and granite weathering. The drilling generated 27 bulk samples and 220 samples ranging intervals from 1 m to 6 m. Hole spacing ranges from a 100 m x 50 m to 200 m x 200 m grid spacing. RC: 75 holes were drilled in approximately 1 km square at approximately 50 m spacings or 100 m spacing between the previous AC drilling. This resulted in a generally 50 m x 50 m coverage of the northern main deposit area which is considered sufficient for classification of Inferred and/or Indicated Mineral Resources in terms of establishing confidence in geological, grade and quality continuity. RC sampling is a 2 m interval composite from individual 1 m sample intervals.
Orientation of data in relation to geological structure	Drillholes were vertical given the horizontal nature of deposit. 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	Representatives of the Competent Person (CP) from CSA Global were responsible for the execution of the RC drilling program. The CP's representative examined the mineralisation occurrence and were responsible for logging of the RC drilling intervals. The geological data is deemed fit for use in the MRE. CSA Global has reviewed the data internally.

Section 2: Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The granted exploration license 70/4673 in Western Australia, covering an area of 59 km^2.
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 AC drilling comprises of 47 drillholes for 824 m. 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 recognisable granitoid 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 5 m. White kaolin then averages approximately 16 m before orange to yellow sandy and mottled clays are intersected which are followed by recognisable rounded granitoid material. The thickness of the kaolin profile varies from less than 1 m to a maximum of 22 m. Fresh granitoids are found at depths of between 10 m and 30 m. All kaolin resources are within 4 m to 11 m of the surface.

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Criteria	Commentary
	47 AC drillholes were completed with a total of 824 m drilled in May 2017 with a further RC drilling program conducted in April 2018 consisting of 75 RC drillholes totalling 1,613 m resulting in 715 2 m composite samples. All holes were drilled vertically. Intersected kaolin thickness ranged from 1 m to 28 m.
Drillhole information	Not relevant. Exploration results are not being reported. Mineral Resources are being disclosed (see Section 3). Sample and drillhole coordinates are provided in previous market announcements.
Data aggregation methods	Not relevant. Exploration results are not being reported. Mineral Resources are being disclosed (see Section 3).
Relationship between mineralisation widths and intercept lengths	Not relevant. Exploration results are not being reported. Mineral Resources are being disclosed (see Section 3).
Diagrams	Refer to figures within the main body of this report.
Balanced reporting	Not relevant. Exploration results are not being reported. Mineral Resources are being disclosed (see Section 3).
Other substantive exploration data	Nothing material to report.
Further work	Metallurgical testwork is continuing to optimise processes.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	Data used in the MRE is sourced from a Microsoft Access database export from the primary Datashed database, which is a fully relational geological database. Relevant tables from the Microsoft Access database are exported to Microsoft Excel format and converted to csv format for import into Datamine Studio 3 software. Validation of the data imported comprises checks for overlapping intervals, missing survey data, missing analytical data, missing lithological data, and missing collars.
Site visits	Representatives of the CP from CSA Global were responsible for the execution of the RC drilling program. The CP's representative examined the mineralisation occurrence and were responsible for logging of the RC drilling intervals. The geological data is deemed fit for use in the MRE.
Geological interpretation	The geology and mineral distribution of the system appears to be reasonably consistent. The geology and mineral distribution of the system appears to be reasonably consistent, though affected by variable depths/thicknesses of kaolinisation. Closer spaced than the current drilling grid variations are not expected to significantly alter the volume of mineralised material interpreted. The high-quality white kaolin zone is interpreted to grade through a fully kaolinised low K_2O upper zone (Zone 1), to a higher K_2O less fully kaolinised lower zone (Zone 2) with higher K_2O with the cut-off between the two zones defined at a nominal 1% K_2O cut-off. The higher K_2O content in the lower part of the kaolinised material is interpreted, based on the Normative mineralogy study, to represent a feldspathic component that has not fully weathered to kaolinite. Drill hole intercept logging, chip tray and sample pile photographs, chemical analysis results and Normative mineralogy calculations have formed the basis for the mineralisation domain interpretations. Assumptions have been made on the extents of the mineralisation based on drilling information. Approximately 5% of the modelled mineralisation zones can be considered to be extrapolated. The extents of the modelled zones are constrained by the information obtained from the AC and RC drilling campaigns. Alternative interpretations are considered unlikely to have a significant influence on the global MRE. The white kaolin mineralisation has been interpreted based on the geological logging of white kaolin in concert with a nominal lower Al_2O_3 cut-off grade of 15% and with reference to the Normative mineralogy, with two individual layers being modelled based on a nominal cut-off of 1% K_2O. Normative mineralogy was calculated from total fusion XRF major element data using a least squares method (MINSQ). The normative calculations were compared to x-ray diffraction (XRD) quantitative mineralogy from nine composite samples analysed in 2017, as well as semi-quantitative XRD mineralogy from an additional 29 sample pulps selected from five representative drillholes and analysed in 2018.

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Criteria	Commentary
	Normative estimates of kaolinite are similar to those obtained in the original nine quantitative XRD results provided the amorphous material (probably a kaolinite phase) identified using an internal standard during XRD analysis in those samples, which ranges between 12% and 24%, is included as kaolinite. A linear correlation also exists between the Al_2O_3 content of these samples and the amount of kaolinite plus amorphous material. There is less agreement between the normative estimates of kaolinite and the 2018 semi-quantitative XRD estimates as these analyses do not include an estimate of the amount of amorphous material in the samples. This potentially leads to an over-estimation of the kaolinite in the sample where the amount of amorphous material is significant (i.e. >10%). The normative calculations over-estimate the amount of kaolinite compared to the XRD estimates for kaolinite contents <50%, and under-estimate the amount of kaolinite compared to the XRD estimates for kaolinite contents >50%. This suggests that there may be a significant component of amorphous material in samples with >50% kaolinite. However, in the CP's opinion this discrepancy is not material to the MRE, as the normative and XRD mineralogy results were used purely as a guide to geological domaining, and to verify the presence of kaolinite. The calculation of normative mineralogy using major element geochemistry was only possible for those samples analysed by XRF. Kaolinite was estimated using the relationship between Al_2O_3 and kaolinite established from the XRD data in those samples for which only four-acid digestion data were available. Continuity of geology and grade can be identified and traced between drillholes by visual and geochemical characteristics. Confidence in the grade and geological continuity is reflected in the Mineral Resource classification.
Dimensions	The upper zone (Zone 1) is generally thicker up to roughly 20 m than the lower zone (Zone 2) which is up to roughly 10 m thick. The mineralisation is roughly horizontal, dipping on average about 1° towards 070°. The strike extent is roughly 1 km and across strike width is roughly 500 m for the bulk northern/central part of the deposit, with the total north south dimension being ~1.4 km including the un-mineralised central/south portion (see plan view diagram in body of report). The combined thickness of the mineralisation zones is greatest in the north-eastern part of the deposit (~15 m to 25 m), thinning to the northwest (~4m) and southwest (~4 m to 12 m).
Estimation and modelling techniques	Ordinary Kriging (OK) was the selected interpolation method, with Inverse distance squared (IDS) used as a check estimate. Grade estimation was carried out at the parent cell scale, with sub-blocks assigned parent block grades. Grade estimation was carried out using hard boundaries between the two zones. Statistical analysis on the 2 m downhole composited drillhole data to check grade population distributions using histograms, probability plots and summary statistics and the co-efficient of variation, was completed on each zone for the estimated grade variables. The checks showed there were no significant outlier grades in the interpreted mineralisation Zones that required top-cutting. In addition to Al_2O_3, K_2O, Fe_2O_3, LOI, SiO_2 and TiO_2 are estimated into the model to assist in downstream mine planning and production scheduling work. A volume block model was constructed in Datamine constrained by the topography, mineralisation zones and model limiting wireframes. Analysis of the drill spacing shows that the nominal average drill section spacing is 50 m to 100 m with drill holes nominally between 50 m and 100 m apart on each section over majority of the modelled area. The greatest drill density is in the north-eastern part of the deposit. Spatial (variogram) analysis was completed on Al_2O_3 in the 2 m drill composite samples from the upper "low" K_2O zone as this zone has the most samples. The resultant two spherical structure modelled variograms showed a low nugget of 10%. The modelling was horizontal with no preferred dip or dip direction and the range to the first structure was 60 m for both directions 1 and 2, and 6 m for direction 3. The range to the second structure (sill) was 175 (direction 1), 140 m (direction 2) and 25 m (direction 3). The variogram parameters obtained from this modelling are applied to all grade variables in both zones. Based on the sample spacing and validated by means of a kriging neighbourhood analysis (KNA), a parent block size of 25 m(E) x 25 m(N) x 5 m(RL) or nominally half the average drill section spacing in

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Criteria	Commentary
	the better informed part of the model, was selected for the model. Sub-cells down to 5 m(E) x 5 m(N) x 1 m(RL) were used to honour the geometric shapes of the modelled mineralisation. The search ellipse orientations were defined as being horizontal based on the overall geometry of the mineralisation and with reference to the variogram modelling study. The search ellipse was doubled for the second search volume and then increased ten-fold for the third search volume to ensure all blocks found sufficient samples to be estimated. The search ellipse dimensions of 120 m x 120 m x 10 m, have been optimised by means of the KNA. A minimum of 18 and a maximum of 36 samples, based on the KNA results, were used to estimate each parent block for both zones. These numbers were reduced for the second search volume to 15 and 27 samples and in the third search volume to 12 and 18 samples. A maximum number of five samples per drillhole were allowed. Based on the results from the KNA, cell discretisation was 4 E x 4 N x 4 Z and no octant-based searching was utilised. Model validation was carried out visually, graphically and statistically to ensure that the block model grade reasonably represents the drillhole data. Cross sections, long sections and plan views were initially examined visually to ensure that the model grades honour the local composite drillhole grade trends. These visual checks confirm the model reflects the trends of grades in the drillholes. Statistical comparison of the mean drillhole grades with the block model grade shows reasonably similar mean grades. The IDS check estimate shows similar grades to the OK model, adding confidence that the grade estimate has performed well. The model grades and drill grades were then plotted on histograms and probability plots to compare the grade population distributions. This showed reasonably similar distributions with the expected smoothing effect from the estimation taken into account. Swath or trend plots were generated to compare drillhole and block model with Al_2O_3% grades compared at 50 m E, 50 m N and 4 m RL intervals. The trend plots generally demonstrate reasonable spatial correlation between the model estimate and drillhole grades after consideration of drill coverage, volume variance effects and expected smoothing. No reconciliation data is available as no mining has taken place.
Moisture	Tonnages have been estimated on a dry, *in situ,* basis. No moisture values could be reviewed as these have not been measured by the laboratory as was planned.
Cut-off parameters	Visual analysis of the drill analytical results demonstrated that the grade cut-off interpretation of 1% K_2O defining the upper and lower zones corresponds to natural break in the grade population distribution. Analysis of the chip photographs compared to the analytical grade results indicate that a slightly more granular appearance of the chips can generally be detected above the nominal 1% K_2O cut-off.
Mining factors or assumptions	It has been assumed that these deposits will be amenable to open cut mining methods and are economic to exploit to the depths currently modelled. No assumptions regarding minimum mining widths and dilution have been made. No mining has yet taken place.
Metallurgical factors or assumptions	FYI reported the results of precipitation and calcination testwork on 3 September 2018, indicating that a purity of 99.997% Al_2O_3 could be achieved. This was considered to confirm the "amenability of the Cadoux kaolin project for HPA extraction." The process comprised pre-beneficiation by attritioning and screening to reject coarse silica (quartz), activation by calcining at 700°C for one hour. Hydrochloric acid leaching initially at autogenous reaction temperature with the temperature controlled and maintained at 80°C for a leach duration of 180 minutes resulting in an Al-rich liquor. Precipitation of aluminium chloride by sparging (gas flushing) with hydrogen chloride gas to recover aluminium chloride. Calcination of the dried aluminium chloride at 1,200°C for four hours. The final product was analysed via XRF and laser ablation reporting a final grade of 99.997% Al_2O_3.
Environmental factors or assumptions	No assumptions regarding waste and process residue disposal options have been made. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions.

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Criteria	Commentary
Bulk density	Density measurements were obtained by means of a downhole wireline geophysics survey of 45 holes using a Century 0032 density instrument capable of short-spaced and long-spaced density fitted with a Caesium Cs137 gamma ray source. The compensated density log (CDL) data have been used for further analysis. The raw data was filtered to remove zero values, drill diameter out of bounds (based on calliper readings) and outlier values. The filtered data set contains a total of 25,753 records which have been flagged based on the mineralisation zones for further analysis. The laboratory did not measure the moisture values of the samples as planned and hence no detailed downhole analysis of density corrected based on moisture factor was possible. The metallurgical testing mass balance calculations showed that the average moisture content of the in-situ material was roughly 15%. This value was applied to the mean CDL density to arrive at a mean density to apply to the mineralisation zones in the model. The mean CDL density for mineralised material measured was 2.0 t/m^3 and the moisture correction factor of 15% was applied to give a mean dry in-situ bulk density value of 1.7 t/m^3 which is applied to all mineralised material. A conservative density value of 2.1 t/m^3 was applied for the waste material in the model based on applying a reduced moisture factor of 10% to the mean waste material CDL of 2.3 t/m^3.
Classification	Classification of the MRE was carried out accounting for the level of geological understanding of the deposit, quality of samples, density data and drillhole spacing. The MRE has been classified in accordance with the JORC Code (2012 Edition) using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table. Overall the mineralisation trends are reasonably consistent over the drill sections. The MRE appropriately reflects the view of the Competent Person.
Audits or reviews	Internal audits were completed by CSA Global, which verified the technical inputs, methodology, parameters and results of the estimate. No external audits have been undertaken.
Discussion of relative accuracy/ confidence	The relative accuracy of the MRE is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012). The Mineral Resource statement relates to global estimates of *in situ* tonnes and grade.

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JORC TABLE 1 Section 4

Estimation and Reporting of Ore Reserves – Cadoux Kaolin Project

Estimation and Reporting of Ore Reserves		
Criteria	**Explanation**	**Commentary**
Mineral Resource estimate for conversion to Ore Reserves	*Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Mineral Resource Estimate used as a basis for the conversion to the Ore Reserve was provided on 27th August 2018 with Mr Grant Louw, employee of CSA Global, as the Competent Person. At a zero percent cut-off grade, this total Mineral Resource includes 9.6Mt of Indicated and Inferred materials with an average grade of 23.0% Al_2O_3. The Mineral Resources are reported inclusive of the Ore Reserves.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The Competent Person (Mr Steve Craig) has visited the proposed mining site of the project in September 2018. The following observations were incorporated: • The mining area is located in the Wheatbelt region approximately 220km North East of Perth, accessible from Perth by well-maintained bitumen roads. • The mining area is located approximately 10 km north-northeast of the township of Cadoux, Western Australia. Cadoux is a small township in the north-eastern Wheatbelt region, within the Shire of Wongan-Ballidu • The population density in the region is low with the population of Cadoux estimated (2016) at 67. • The mining area is located on private, freehold, cleared, farmland currently used for growing crops. • There are no buildings or structures within the mining area. • Differences in elevation are moderate without steep slopes. Hence no difficulties are expected in developing site access or site establishment. • There are no power or water access points within the mining area, there is a power line immediately to the west of the mining area and a water pipeline is within 1km of the site.

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Study status	*The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	A Pre-Feasibility Study (PFS) for the Cadoux High Purity Alumina (HPA) project was the basis for the conversion of Resources to Reserves. The study, which indicates that the project is technically achievable and economically viable, was compiled by GR Engineering Services on behalf of FYI Resources Ltd with input from specialist consultants. The PFS was underpinned by a mine plan. The mine plan produces high-grade alumina material for on-site beneficiation. An intermediate concentrate is transported to the HPA processing plant in Kwinana. The Al_2O_3 grade and the mining rate of the ore are in line with the feed requirements of the beneficiation and HPA processing plants. The mine planning activities included final and interim stage pit designs, mine scheduling including backfilling, and mining cost estimations. Modifying factors considered during the mine planning process included slope design criteria, mining dilution and ore loss. The activities and findings of all other disciplines were summarised in the PFS document, and detail derivation of other modifying factors such as processing recoveries, costs, revenue factors, environmental and social. Overall the results of the PFS demonstrate that the HPA project is technically achievable and economically viable.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	Only Indicated resource materials were considered as potential ore material. A 7.5% Al_2O_3 ore/waste cut-off grade was utilised in the pit optimisation process. No other quality parameters were applied during the Ore Reserve estimation.
Mining factors or assumptions	*The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).*	As part of the PFS, a detailed mine design and annual schedule was produced. This study indicated that: • The Ore Reserve derived from the Mineral Resource can easily meet the processing feed requirements for the production targets of the project. • The ore presents near surface and is easily accessible by conventional open pit mining methods. • The pit optimisation, design and schedule process indicate a project life of +50-years at an ore mining rate of approximately 53,500t per annum, targeting HPA production between 7,000 and 8,000tpa. • The cost of the Cadoux mining operation accounts for only 2% of the total HPA production cost.

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	The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	A conventional open pit mine method was chosen as the basis of the PFS due to the near surface presentation of the mineralisation. Mining and backfilling of pit voids is to occur on a campaign basis. Overburden and beneficiation rejects are backfilled into the pit to minimise the foot print of the operation. Due to the relatively small quantities extracted, and to maintain adequate efficiencies, mining will be undertaken in 2 to 3 month campaigns, sufficient to excavate and stockpile three (3) years ore supply on the Run of Mine (RoM) stockpile pad. Mine design criteria include: minimum mining width, ramp width and gradient, pit exit location and slope design parameters.
	The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.	No site-specific geotechnical assessment was available. The basis of the pit slopes and backfill slope angles were based on assumptions from other shallow oxide only mining operations. The overall pit and backfill slope angles were set at 35˚. The pit optimisation process indicated that the optimal pit selection was not sensitive to slope angles. Further grade control drilling programs will be considered in the next phase of studies. The ore – overburden boundary is defined by the ore solid (wireframe) provided with the resource model. Delineation of this boundary during mining operations will utilise survey control. Visual checks will then be undertaken by the equipment operators as the visual differentiation between ore and waste is clear. This will ensure that any ore material that is not perfectly bright white will be directed to the overburden dump. RoM dumping strategies can be adopted to blend materials and manage short interval grade variations. The proposed mining method will not require drilling and blasting activities due to the weathered nature of the materials.
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	The August 2018 Datamine Mineral Resource Model (Camd818) used as a basis for the conversion to the Ore Reserve. Only Indicated material were categorised as ore for the optimisation process. Inferred mineralisation was treated as waste.
	The mining dilution factors used.	Mining dilution will need to be avoided as this may affect the performance of the processing plant. Dilution has been set at 0% on the basis that appropriate procedures and processes will be developed to eliminate dilutants from the ore during the mining phase. This can be achieved through survey control and visual checks when excavating.
	The mining recovery factors used.	Mining recovery has been set at 90% reflecting the need to provide clean, undiluted ore to the beneficiation plant. The ore loss is accepted at ore/waste boundaries in order to eliminate dilution. Ore loss will also occur at bench floors due to the requirement to remove road sheeting materials.

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	Any minimum mining widths used.	Pit designs and interim cutbacks have been designed to suit a 65t excavator and 40t payload articulated dump trucks. The parameters used were: • A minimum mining width of 20m. • One-way ramp width of 8m. • Ramp gradient 12.5%.
	The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	No inferred Mineral Resources have been included in the Ore Reserves or the associated production schedule. Within the designed final pit inventory, the Mineral Resource tonnages are: • 3,212kt Indicated. 94% of Mineral Resource within final design pit • 211kt Inferred. 6% of Mineral Resource within final design pit
	The infrastructure requirements of the selected mining methods.	The PFS considers the proposed open cut mine plan and schedule, and includes waste and overburden removal, ROM pads based on domained ore, haul roads to beneficiation plant, haulage loading facilities, water management, workshops, administration buildings, traffic management and other associated mine and facility infrastructure. It is planned to conduct mining on a contract basis to produce three (3) years of ore supply using 2-3 month mining campaigns.

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Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole* *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet specifications?*	The proposed process flow comprises the following key unit processes – • Wet attritioning and screening of whole ore feed to produce a low Silica screen undersize stream for downstream processing and a by-product Silica rich screen oversize stream. • Drying and calcination of attritioning screen undersize to activate Kaolin in preparation for acid leaching. • Staged Hydrochloric Acid leaching to extract Aluminium as Aluminium Chloride into solution. • Staged precipitation of Aluminium Chloride concentrates via Hydrogen Chloride gas phase sparging. • Aluminium Chloride concentrate recovery, filtration and washing. • Final high temperature Aluminium Chloride calcination and conversion to High Purity Alumina (HPA). Historically the proposed process flow has been tested successfully for production of Alumina from Kaolin feed stock. The proposed process flow is considered appropriate for the recovery of HPA from Kaolin as evidenced in recent results reporting an HPA product grade exceeding 99.99% Al_2O_3. The direct and variable testwork was based on blended and master composites that were constructed to be representative of the kaolin deposit. Test sample product were derived from RC holes that were approximate to the average resource grade and deleterious element average. Extensive variation work on grade and deleterious elements were also conducted to understand the outliers to the metallurgical response Detailed testwork confirmed excellent amenability to leaching and precipitation stages. Recoveries achieved were 99.997% Al_2O_3. Supporting metallurgical testwork has been conducted to date based on batch testing and processing; further stages of work are scheduled for bulk product generation. The testwork completed to date has been conducted based on resource representative composites, including allowance for separate variability sample testing. Alumina recoveries and grades corresponding to Alumina and potential deleterious elements are consistent with values established based directly on the testwork. IMO have undertaken large scale representative sampling of the Cadoux kaolin deposit that is considered appropriate for the commodity being studied. IMO have prior experience with this commodity and relate that to addressing the minerology requirements for the PFS testwork and review. The minerals that define the Ore Reserve are not based on a specification other than Alumina grade.

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Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	Botanica Consulting Pty Ltd has undertaken baseline studies as well as flora, fauna and other essential permitting studies at both the Cadoux and Kwinana project sites and have found no major impacts on the environment or on mining. Please see body of PFS for further details. Hydr2o Pty Ltd conducted a hydrology survey at the Cadoux project site and found that the project was not in a water reserve or sensitive area. No major surface or subterranean water issues were identified that would impact the environment or the HPA operations. Cadoux ore and waste rock are characterised as non-acid forming (NAF) and does not pose a threat to water courses or subterranean water sources. The mining operation is small, so the footprint and disturbance area are small. The operations will be progressively back filling and rehabilitating the open pits.
Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Cadoux is located 220km north east of Perth with the project area having access to major arterial roads, rail, mains water, telephone line and a 33KVA power line – all within 1km of the project. Labour, utilities, services, accommodation and transport is very accessible as there are a number of small towns in the area, the major regional town of Wongan Hills is 60kms in distance and Perth is in easy driving distance of approximately 2 hours

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Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.* *The methodology used to estimate operating costs.* *Allowances made for the content of deleterious elements.* *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* *Derivation of transportation charges.* *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* *The allowances made for royalties payable, both Government and private.*	All project costs (capital, operating, consumables, labour, freight etc) have been identified, assessed and calculated by the various expert study managers responsible for the various sections of the PFS. The study managers include GR Engineering Services (GRES), Independent Metallurgical Operations (IMO), CSA Global (CSA) and Orelogy Consulting Pty Ltd. These groups have utilised detailed studies, indexed prices, public reference prices etc to calculate the various costs used as inputs into the PFS. Please see the PFS report for further information. All costs are based on market rates as of the Q3 2018 are to a ±25% accuracy Detailed studies by respective study managers have identified and accounted for deleterious content within the deposit as well as in the process and refining of the HPA. The deleterious element has also been accounted for in the financial modelling. All mining recovery, metallurgical, recovery and other technical concerns regarding the commodity price for HPA have been considered by appropriately qualified individuals and groups in respect to the PFS requirements. FYI has used a number of sources and different service providers in estimating and calculating its transportation costs. FYI believes that the freight cost estimation is accurate and appropriate to the PFS. Further transportation charge details are included in the PFS. Extensive studies have been undertaken to understand and estimate operating costs and charges as well as penalties for off-specification product. IMO and GRES have particularly focused on this area of the PFS. Further detail is highlighted in the PFS. Under the operations and financial modelling, full allowances are made for state royalties, duties, taxes, compensation etc. The project financial model details the particular financial cost, the percentage and the amount. A 5% state royalty has been allowed for.
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	The Cadoux PFS financial model provides for an array of project assumptions, including costs, cost escalations, grade variations, production variation, exchange rates, etc. These assumptions have been modelled on variations and sensitivities to a range of +/- 20% on major input factors such as grade, operating cost, capital cost and revenue. The assumed price in the financial modelling has been derived from a number of sources and then discounted. The sources include independent market research (CRU and Allied Market Research)

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Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.*	The market assessment for price and volume/demand has been supported by: • 2 independent research groups (CRU & Allied Market Research) • IMO achieving a reference price – by purchasing HPA for independent testing • FYI's own market research and direct meetings with market participants (producers, manufacturers and traders) in China, Japan and South Korea • Web-based commodity trading platform references.
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The Mineral Resource estimation, completed by CSA Global, and mining schedule, completed by Orelogy Consulting Pty Ltd, are of sufficient technical standard and level of accuracy taking into account all mining and associated activities and contingencies. The economic assumptions used in the financial modelling are: • 0.75 USD:AUD exchange rate • 10% discount rate • Contingency of 10% on Cadoux and 15% for Kwinana capital and operating costs The financial summary and base case NPV demonstrates a positive result. Sensitivities and discounting ranges have been applied to understand the economic tolerance to various key inputs to the base case. The sensitivities are generally ±20% and despite this, the financial result still demonstrates a positive economic case and profit margin to support the development of Cadoux
Social	*The status of agreements with key stakeholders and matters leading to social licence to operate.*	There are no existing Native Title claims on the Cadoux project tenements. Broader stakeholder and community engagement will be ongoing over the development of the project.
Other *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves.*	*Any identified material naturally occurring risks.* *The status of material legal agreements and marketing arrangements.* *The status of government agreements and approvals critical to the viability of the project, such as mineral tenement status and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third part on which extraction of the reserve is contingent.*	There are no obvious or likely naturally occurring risks that have been identified or which may negatively impact the Project or Project area. No major or material legal Agreements exist in respect to the Company at this stage. There is one marketing arrangement signed at this point (MOU) regarding marketing of HPA in Korea. All statutory government agreements, permits and approvals commensurate to the current status of the project are all current and in good order. A Mining Lease is yet to be granted for the Cadoux site. Timeframes for Agreements appropriate to the PFS have been handled appropriately and have not put the project at risk. Agreement timeframes in respect to the FS will be handled with similar accord so as not to put the future studies and project development at risk also.

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Classification	*The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	Probable Ore Reserves were determined from mineralisation classified as Indicated Resource. This classification is reasonable because of the nature of the deposit (consistency, homogeneity, low variability). The risks associated with the orebody variability appear much lower than other project risks (such as price and exchange rate variations and the requirement of meeting product specifications to realise the estimated product price). 100% of the Ore Reserves are classified as Probable.
Audits or reviews	*The results of any audits or reviews of Ore Reserve estimates.*	The Ore Reserve estimate has been reviewed internally by Orelogy Consulting Pty Ltd. No external reviews or audits have been undertaken on the Ore Reserve estimate.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The Mineral Resource, and hence the associated Ore Reserve, relate to global estimates. To date, there has been no commercial production with FYI's HPA manufacturing process, so no comparison to production or reconciliation data can be made. The Ore Reserve estimate is an outcome of the September 2018 Pre-Feasibility Study with geological, mining, metallurgical, processing, engineering, marketing and financial considerations to allow for the cost of finance and tax. Engineering and cost estimations have been done to a ±25% level of accuracy, consistent with a PFS of this nature. An NPV was estimated with FYI's financial model which demonstrates that the project is economical and robust. Sensitivity analysis undertaken during the PFS shows that the project is most sensitive to a movement in the HPA selling price. The NPV is not as sensitive to changes in capital or operating costs. The robustness of the project and the low sensitivity to cost variations provide confidence in the Ore Reserve estimate. However, there is no guarantee that the HPA price assumption, while reasonable, will be achieved