

16th February, 2018

FYI Resources announces outstanding metallurgical test results, validating HPA flowsheet being used in the PFS

Highlights:

- Excellent leach extractions of up to 97.2% Al₂O₃ at the Cadoux Kaolin Project in Western Australia;
- The combination of achieving 99.99% grade at a 97.2% recovery demonstrates Cadoux as being an ideal feedstock and validates the HPA flowsheet being designed and tested under the PFS.
- Rapid leach kinetics indicate an excellent metallurgical response to feedstock;
- Leach results demonstrate ideal selective leaching of aluminium;
- The results highlight the use of atmospheric pressure and low temperatures is very encouraging and provides the framework for favourable project economics in the PFS;
- Further testing and process refinement continues.

FYI Resources (ASX: FYI) (the “Company” or “FYI”), project developer of High Purity Alumina (HPA) in Western Australia is pleased to release outstanding metallurgical test results for its Pre-feasibility study (PFS) for HPA.

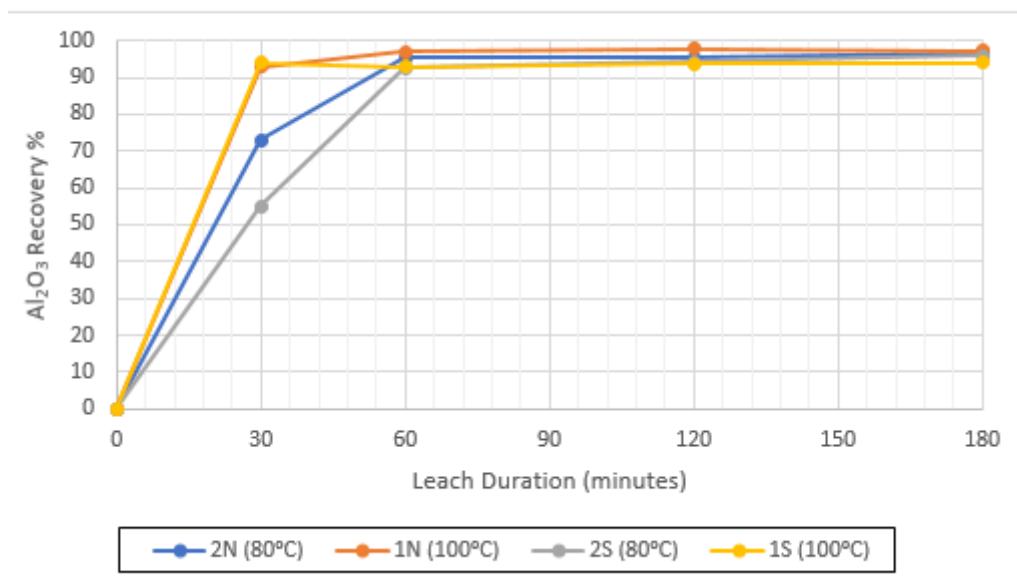
The objective of the PFS testwork program is designed to determine the economic parameters of commercial production of HPA from the Cadoux Kaolin Project.

FYI recently announced that it had accomplished the key proof of concept for the HPA strategy by achieving a purity of 99.99% alumina (refer ASX announcement 23 October 2017). The success of the strategy has now overwhelmingly been demonstrated with the achievement of 97.2% extraction of leached product. The combination of a 99.99% grade at a 97.2% extraction demonstrates Cadoux as being an ideal HPA feedstock validating the flowsheet currently being designed and tested under the PFS.

FYI Managing Director, Mr Roland Hill commenting on the latest results said “The remarkable metallurgical leach results continue to impress. The combined attributes of a high grade and excellent recovery of the alumina product should have a significant impact on the project’s economic metrics. Cadoux continues to demonstrate its superior qualities, amenability and suitability to the production of commercial high purity alumina using conventional processing techniques and equipment.

“We look forward to progressing the current PFS work and anticipate further positive results increasing our confidence that commercial HPA can be generated from the high-grade kaolin at Cadoux.”

Results from the leach testwork are shown in the following graph and table below:

16th February, 2018**Figure 1: Al₂O₃ Kinetic Leach Curves**

The impressive leach recovery results based on the use of atmospheric pressure and low temperatures are very encouraging and provide the framework for very favourable potential project economics – both in terms of capital costs and operating costs.

Table 1: Summarised Al₂O₃ Leach Recovery Results

Time (minutes)	Units	North Composite		South Composite	
		2N (80°C)	1N (100°C)	2S (80°C)	1S (100°C)
0	%	0.0	0.0	0.0	0.0
30	%	73.1	92.8	55.0	93.9
60	%	95.3	97.1	92.6	92.7
120	%	95.3	97.8	94.1	93.8
180	%	96.7	97.2	95.7	94.1
Feed Grade	%	39.58	39.58	38.74	38.74
Calculated Feed Grade	%	35.76	32.39	35.76	36.30

The metallurgical testwork samples were selected from composited intervals from the last drilling programme (refer to ASX Company announcement dated 14 June 2017). A range of variable samples were used in the testing and are considered to be representative of the deposit and centred at N6606100 and E518800.

The metallurgical test work program is being undertaken and managed by Independent Metallurgical Operations Pty Ltd (IMO) in Perth.

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The ongoing metallurgical test work is designed to understand leaching outcomes over a series of variables including feedstock variances, varying operating temperatures and leach durations to determine optimal recovery and operating ranges.

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About FYI Resources Limited

FYI's 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 the FYI Resources' HPA strategy is the superior quality aluminous clay (kaolin) deposit at its 100%-owned Cadoux Kaolin Project in Western Australia and the positive reception the feedstock has to the Company's moderate temperature, atmospheric pressure HCl flowsheet. The Company's strategy has superior quality attributes that when combined result in a potential world class HPA project.

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.

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.