



23 June 2020

## FYI to deliver more HPA samples to potential customers

### Key points:

- **FYI commencing production of additional HPA samples for second stage product qualification**
- **High demand for further product follows positive feedback for initial samples sent to potential customers in early 2020**
- **FYI expects to deliver larger size samples to qualified off-take parties in July 2020**
- **Larger samples will allow interested parties to undertake more detailed analysis**
- **Product qualification expected to expedite long-term supply agreements for FYI's HPA product**
- **HPA is crucial for production of new technologies such as lithium ion batteries and LED applications.**

FYI Resources Ltd (**ASX: FYI**) ("**FYI**" or "**the Company**") is pleased to report that following its delivery of low deleterious, high-grade (~99.995% average Al<sub>2</sub>O<sub>3</sub>), high purity alumina (HPA) samples to prospective customers in February 2020, the Company has received requests for larger quantities of HPA material for further product qualification.

FYI is commencing production of additional sample material to meet the specific requirements of each interested party for their second stage qualification trials. FYI expects to deliver these larger samples in July 2020.

The requested HPA will be generated from FYI's bespoke designed and constructed pilot plant facility, in Welshpool, Western Australia. Material will be similar in nature and consistent with the previous trial samples delivered in stage one. Recommencing production will require some preparation and FYI will provide further updates regarding the manufacturing process.

FYI Managing Director Roland Hill said feedback from initial testing of the Company's HPA had been positive and the requests for larger quantities further validated the quality of FYI's product.

"The requests are really encouraging as the larger samples will allow these potential customers to finalise their qualification assessments. We have developed a product with high purity, high grade to a "4N" level and low deleterious quality, and we expect this additional testing by customers will lead to long-term supply agreements for our product," he said.

"The demand is strong from interested parties, particularly in Europe and East Asia, so we are now busy preparing these larger quantity samples for their assessment and will continue to liaise with these companies as they undertake more detailed analysis."

FYI is developing a compelling critical mineral project being the integrated mining of its Cadoux kaolin deposit north-east of Perth, WA and refining of high purity alumina (HPA) at a site in Kwinana, in Perth's south. HPA is demonstrated to be crucial in the production of

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premium Lithium-ion batteries for heavy duty, high safety requirement batteries as well as in broader applications such as LED substrates, phosphors and scratch resistant glass for use in smartphones, computer screens etc.

In March 2020, FYI published its definitive feasibility study (DFS) which outlined not only outstanding economic metrics for the HPA project but also highlighted the detailed and robust technical development of the process design and engineering required to achieve and produce the high purity HPA product. The DFS included hard data generated from the successful HPA pilot plant production trials. This internally produced HPA material was also generated for product qualification purposes in the assessment by potential off-take parties and customers.

To view the pilot plant in operation during the DFS studies – please see the following link on the Company's [website](#): [Link to video of pilot plant in operation](#)

Authorised for release by Managing Director, Roland Hill.

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**About FYI Resources Limited**

FYI is developing a long life fully integrated high quality, high purity alumina (HPA) production project for both general / traditional and niche markets. FYI's corporate objective is to position itself to be a significant producer of HPA within these rapidly developing markets which include applications in LED, electric vehicle, smartphone and television screen as well as other associated high-tech product markets.

On the basis of its recently released DFS (refer ASX announcement 11 March 2020) and the robust economic business case for production of HPA, FYI's Cadoux project, north-east of Perth in Western Australia, entails controlled production of a 100%-owned feedstock source, mined on a schedule to match supply requirements of a proposed refinery at Kwinana, south of Perth. FYI's ability to control the integrated process should ensure product quality, consistency and provenance – an increasingly important product selection criteria for customers who rely on knowing the origins and record of ownership in a product's supply chain.

The foundation of FYI's HPA strategy is the innovative and integrated processing flowsheet utilising moderate temperature and atmospheric pressure technologies. These factors combine resulting in world class HPA project potential.

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## **Cautionary Statements**

### **Substance of DFS**

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

The DFS assumes as a 25-year Project life based only on Proved and Probable Ore Reserves (100%).

The DFS is based on the material assumptions outlined elsewhere in this announcement and the appended summary of the DFS. 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 DFS will be achieved.

To achieve the range of outcomes indicated in the DFS, funding in the order of A\$189 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.

### **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 to 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 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

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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.

### **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". The information is extracted from the Ore Reserve announcement released 29 October 2018 and is available to view on the Company's website at [www.fyiresources.com.au](http://www.fyiresources.com.au)

#### **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](http://www.fyiresources.com.au).

#### **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](http://www.fyiresources.com.au).

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