

14th February, 2018

FYI Resources to raise \$3 million to accelerate HPA development

Highlights:

- FYI Resources successfully receives commitments for the issue of up to 37.5m shares at a price of \$0.08 per share to institutional and sophisticated investors to raise \$3 million;
- The Placement is cornerstoned by existing substantial shareholder Regal Funds Management (“Regal”) and new institutional shareholder Paragon Funds Management (“Paragon”). Regal and Paragon to hold 13% and 5% of the Company following settlement;
- The Company is now fully funded to complete the Pre-Feasibility Study (PFS), commence a Bankable Feasibility Study (BFS), and all associated project activities, including permitting, metallurgical test work and HPA product marketing;
- The strong support of the Placement by new and existing institutional investors demonstrates support and confidence in FYI’s HPA strategy;
- Foster Stockbroking Pty Ltd acting as Lead Manager to the Placement.

FYI Resources (ASX: FYI) (the “Company” or “FYI”), project developer of high purity alumina (HPA) in Western Australia is pleased to announce it will be raising up to \$3 million (before costs) through the issue of 37.5 million new fully paid ordinary shares at \$0.08 per share (Placement). The Placement will be undertaken in two tranches subject to the Company’s placement capacity.

The Placement is strongly supported by a group of new and existing institutional investors. The Placement is to be cornerstoned by Regal Funds Management, which is expected to hold 13% of the Company, and highly regarded natural resources investor, Paragon Funds Management, will also emerge as a substantial holder.

The calibre of investors attracted to FYI’s HPA strategy confirms the Company’s work to date and demonstrates support for the delivery of the work program outlined for 2018.

Following the settlement of the Placement, the Company is expected to be fully funded to complete the stated development program of the initial Pre-Feasibility Study (PFS) and other associated project review activities, including permitting, metallurgical test work and HPA product marketing as well as to commence a Bankable Feasibility Study (BFS).

FYI Resources’ Managing Director, Roland Hill, said: “We are extremely pleased with the level of support for the Placement, particularly from our existing institutional shareholder, Regal Funds Management, and new institutions including Paragon Funds Management and others who will join the register.

“The funds to be raised will allow us to accelerate the completion of our PFS due to be completed in June Quarter 2018. From the results of our early study work, we expect positive results from the PFS and anticipate being able to immediately advance to a BFS. We believe that both the PFS and BFS studies will be finalised relatively quickly within a respectable budget due to the high quality of the Cadoux feedstock and its excellent amenability and response to our flowsheet combined with the “off the shelf” standard equipment that will allow FYI to achieve our target product of 4N alumina.”

Foster Stockbroking Pty Ltd is acting as Sole Lead Manager to the Placement.

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14th February, 2018**Placement Details:**

Firm commitments have been received for the issue of 37.5 million shares at a price of \$0.08 per share to raise \$3 million. The funds raised will be used for continued development of the Company's HPA strategy including a pre-feasibility study and other associated works and studies up to a bankable feasibility study; progressing the Company's Southeast Asia potash strategy; costs of the issue; and working capital. The Placement will be undertaken in two tranches and subject to the Company's placement capacity under ASX listing rules 7.1 and 7.1A.

- Tranche 1 – comprising of 11.4m shares (7.3 million under LR7.1 and 4.1 under LR7.1A) raising \$918,000 (subject to the General Meeting scheduled for 19 February 2018), expected to be issued around 23 February 2018; and
- Tranche 2 – comprising of 26.1m shares raising \$2.08 million which will be issued subject to shareholder approval, to be sought at a General Meeting to be held in mid-March 2018.

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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 HPA strategy is the superior quality aluminous clay (kaolin) deposit at Cadoux and the 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.