

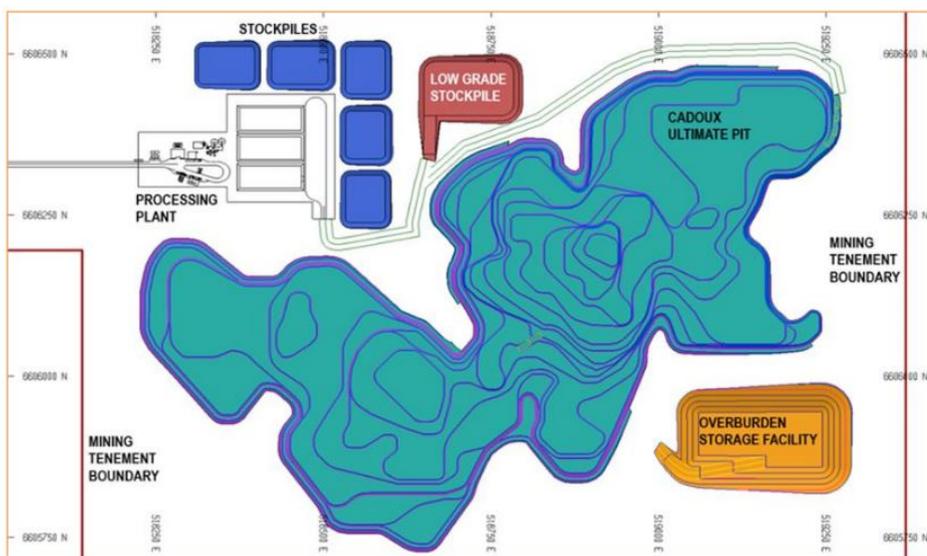
# FYI Resources Ltd

09:31 11 Mar 2020

## FYI Resources reveals DFS and \$80 million funding, shares up

FYI Resources Ltd (ASX:FYI) has released a definitive feasibility study (DFS) for its Cadoux kaolin and Kwinana high-purity alumina (HPA) Project in Western Australia.

The DFS forecasts an after-tax net present valuation (NPV) of US\$543 million based on a 25-year open-pit mining, processing, and refining operation.



Notably, FYI has secured landmark equity financing backing for up to A\$80 million from Luxembourg-based private equity group, GEM Global Yield LLC SCS.

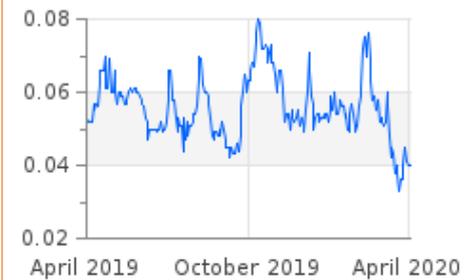
The funding provides FYI with capital support for the development of its HPA project, particularly at key funding requirement stages.

It will also assist FYI's board in making its final investment decision (FID) for the project.

**Price:** 0.04

**Market Cap:** \$8.51 m

### 1 Year Share Price Graph



### Share Information

**Code:** FYI

**Listing:** ASX

**52 week High Low**  
0.086 0.033

**Sector:** Gold & silver

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

### Company Synopsis:

*FYI Resources Ltd (ASX:FYI) is listed on the Australian Securities Exchange.*

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NPV post tax (@10%)	US\$543m
IRR	46%
Payback period (years) (post tax) (inc ramp up)	3.6
Assumed exchange rate A\$/US\$	0.70
Life of Project Reserve (years)	25
Total Sales (initial 25 years) no escalation	US\$4.7b
Total Project net operating cash flow (25 years)	US\$2.4b
Annual EBITDA (average)	US\$133m
Cash flow after finance and tax	US\$88m
Shares on issue (as at publication of the DFS)	212,772,654
EPS after tax (per year)	\$0.41
Capex (8,000 tpa)	US\$198m
Capex/t (US\$/t)	US\$23,575
Life of Mine C1 costs, FOB Kwinana (US\$/t)	US\$6,217
Tonnes Processed (initial 25 years) (kt)	198
Production Target (tpa) (initial 25 years)	8,000
Proven + Probable Ore Reserves @ 24.8% Al <sub>2</sub> O <sub>3</sub> (kt)	3,205
Ore Reserve life (years)	25
JORC Resources (million tonnes)	11.3

The DFS assumes 25 years of production from a potentially long-term 50+ years mine life.

The DFS targets production of HPA commencing in Q2 2022 through a beneficiation plant in Cadoux and a hydrochloric acid (HCl) leach and precipitation plant in Kwinana.

A total of 18 separate mining stages have been planned for the life of mine schedule with the average life of each stage being three years.

Shares surged by 29% in early trade to a high of 6.7 cents.

#### DFS reveals low-cost project

FYI Resources managing director Roland Hill said: "The DFS results represent a persuasive economic case supported by extensive and technically detailed studies.

"The extent of diligence in this body of work provides us with assurance in our innovative HPA refining process to be able to deliver a high quality, high purity product in a consistent and reliable manner.

"The DFS demonstrates that Cadoux has the merit to be developed as one of the sectors lowest capital and operating cost projects."

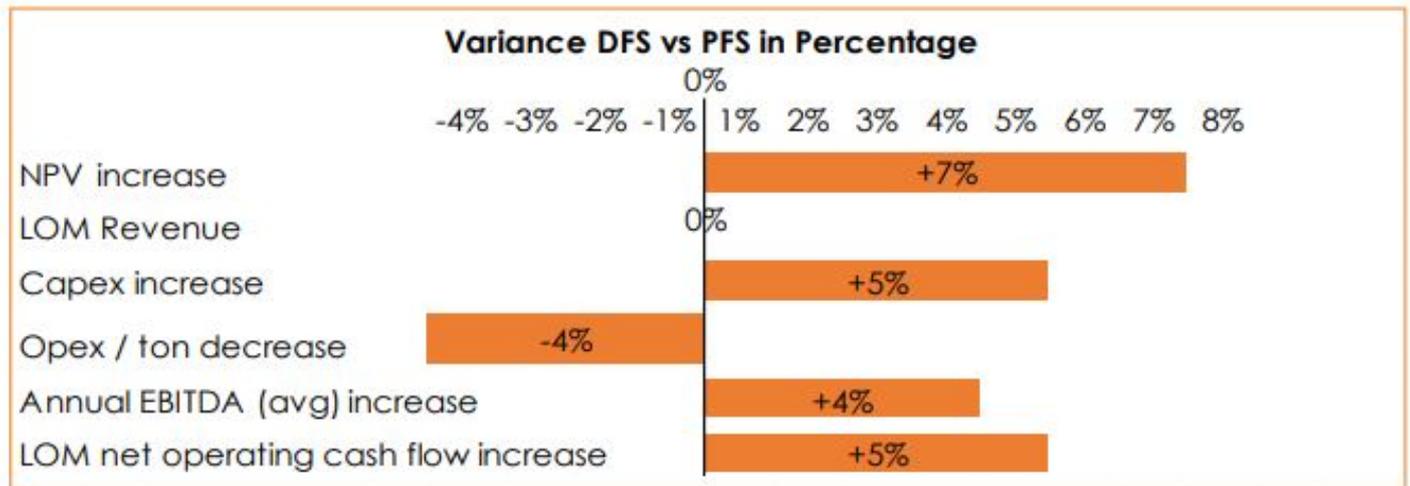
#### Funding deal de-risks project development

He added: "The financing facility assists in de-risking the project by providing access to equity funding at critical development stages.

"Sufficient equity funding is one of the larger challenges for a junior company; we intend to use this funding package to accelerate our development schedule.

"The DFS outcome was within 5% of our project PFS results demonstrating the quality and detail of work accomplished at each study phase.

"We are delighted with the fact that we have honoured our pre-DFS release promise of delivering a quality study with no major surprise outcomes.



"Additionally, FYI have revised the Reserve estimate at Cadoux that covers the entire project life of 25 years.

"This will provide the company with a reliable single source supply of feedstock for the duration of the project which is consistent with our quality production objectives."

Category	Ore Kt	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O %	TiO <sub>2</sub> %
Proved	290	24.9%	1.1%	0.5%	0.8%
Probable	2,914	24.8%	1.1%	0.6%	0.9%
<b>Total</b>	<b>3,205</b>	<b>24.8%</b>	<b>1.1%</b>	<b>0.5%</b>	<b>0.9%</b>

FYI on path to become global supplier of HPA

FYI's HPA project has the potential to establish it as a material global supplier of HPA.

Timing for the development of the project is anticipated to meet the forecast uplift in demand for HPA in the 2022-24 period as a result of projected electric vehicle (EV) growth.

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