

FYI Resources Ltd

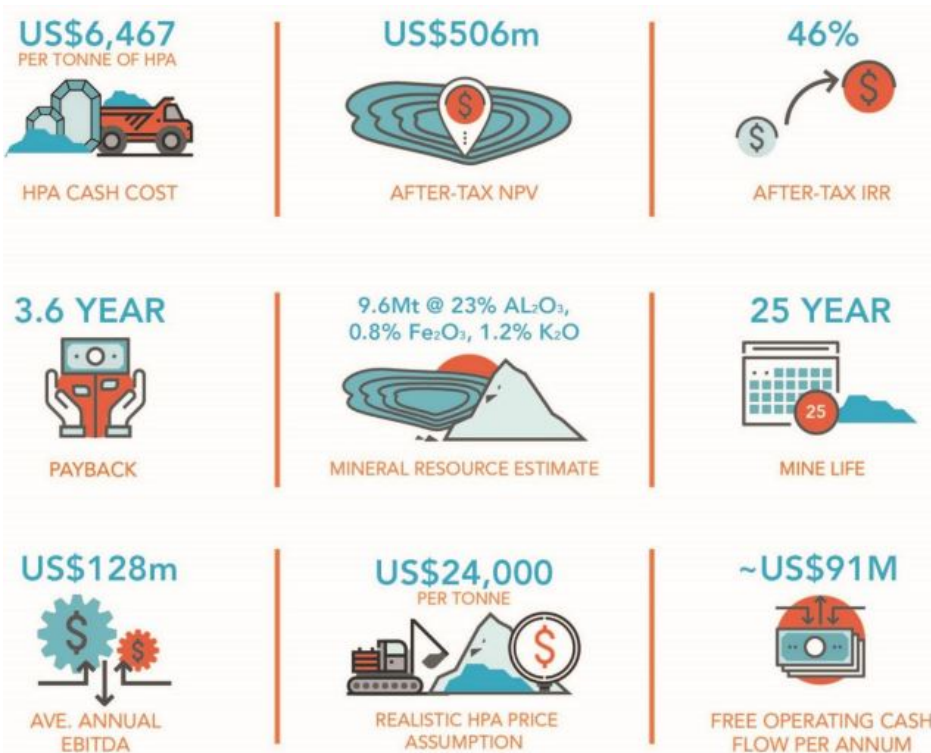
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FYI Resources' PFS confirms long-life, low cost high-purity alumina project

FYI Resources Ltd (ASX:FYI) has successfully completed the preliminary feasibility study (PFS) for its 100%-owned Cadoux Kaolin Project in Western Australia.

The PFS has confirmed FYI's objective to become a predominant vertically-integrated, long life producer of high-purity alumina (HPA).

FYI's PFS indicates that the project could produce up to 8,000 tonnes per annum of HPA with both low capital and operating costs, delivering a net present value (NPV) of US\$506 million for a 25-year project life.



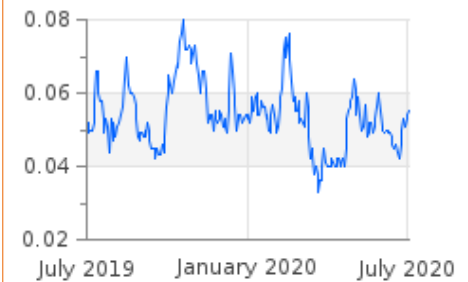
The PFS economic forecasts are based on a revised Cadoux resource estimate that was specifically estimated for the delivery of premium quality feedstock to the integrated HPA refining process.

The mining and financial modelling is based on using 94% Indicated and 6% Inferred material.

Price: 0.055

Market Cap: \$12.16 m

1 Year Share Price Graph



Share Information

Code: FYI
Listing: ASX
52 week High: 0.086
52 week Low: 0.033

Sector: Gold & silver

Website: www.fyiresources.com.au

Company Synopsis:

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

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Item	unit	Amount
HPA production	tpa	8,000 (with capacity to expand)
Production grade	Al ₂ O ₃	> 99.99%
Capital cost	US\$m	178.8
Capital cost / t	US\$/t	22,344
Forecast average cost of production (C1)	US\$/t	6,467
Assumed HPA selling price / t	US\$/t	24,000
Exchange rate	A\$:US\$	0.75
Average annual EBITDA	US\$m	128
First phase of operations - total revenue (> 50 years)	US\$m	11,376
First phase of operation - annual revenue	US\$m	190
Project NPV	@10%	506
Project IRR	%	46
Project payback	yrs	3.6

PFS summary

FYI managing director Roland Hill said: "The PFS demonstrates FYI Resources is in the attractive position with the potential of becoming a long-life, low cost and high margin HPA producer.

"The positive economics are a result of realistic basket pricing and a production profile that is expected to meet the forecasted industry demand growth over the coming years as a result of the electric vehicles revolution.

READ: FYI Resources developing high purity alumina for growing battery metals sector

"Importantly, we believe we should sit within the lowest operating cost quartile generating significant margins, demonstrated in the average annual EBITDA at steady state of US\$128 million."

Global HPA demand

The global HPA demand is expected to increase from around 35,000 tonnes in 2017 to 125,000 tonnes in 2025, driven primarily by the strong growth in demand for lithium-ion battery (LIB) separator coating.

One of the drivers of the LIB separator growth is the growth of electric vehicles (EV), particularly as a result of China's new pro-EV policies.



Total HPA demand by end-use sector (tonnes)

With regards to the future funding of the Cadoux Kaolin Project, FYI is in discussions with industry participants with the potential to provide financing as part of an offtake, in addition to traditional means of debt and equity financing.

The company plans to initiate a bankable feasibility study (BFS) whilst progressing negotiations with industry participants for potential offtake deals.

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