

QUARTERLY REPORT

For the period ending
30 June 2024



26 July 2024

JUNE 2024 QUARTERLY ACTIVITIES REPORT

Record total export volume of 978,753 wet metric tonnes

Iron Ridge C1 cash costs maintained at A\$79.7/wmt

Iron Ridge C1 operating margin of A\$65/dmt

Shine Iron Ore Mine recommissioning commenced

Beebyn-W11 Iron Ore Mine to commence in early 2025

Cash as at 30 June 2024 of A\$77.4 million

HIGHLIGHTS

Mining:

- Seven Fenix iron ore shipments completed from Iron Ridge totalling **400,627 wmt** of iron ore, consisting of 181,672 wmt of lump and 218,955 wmt of fines
- C1 Cash Costs for Iron Ridge maintained at **A\$79.7/wmt** shipped FOB Geraldton (Mar Q:A\$77.6) equivalent to US\$53/wmt (Mar Q:US\$51/wmt)
- CFR price received for Iron Ridge ore of US\$119/dmt, equivalent to **A\$180/dmt** CFR (Mar Q:US\$136/dmt)
- Shipping US\$19.1/dmt (Mar Q:US\$18.8/dmt), equivalent to A\$29/dmt (Mar Q:A\$29/dmt)
- Net average C1 operating margin for Iron Ridge of **A\$65/dmt** (Mar Q: A\$95/dmt)
- Shine Iron Ore Mine recommissioning commenced with haulage of 100,000 tonnes per month for FY2025 and FY2026 expected to commence during the December 2024 quarter
- Beebyn-W11 Iron Ore Mine Feasibility Study completed with the new mine expected to deliver 1.5Mtpa from early 2025 and generate exceptional financial returns for Fenix

Logistics:

- Ruvidini Inland Port terminal substantially complete, with increased logistics and port services volumes to be facilitated from Q3 2024

Port Services:

- Annual shipping run rate achieved during the quarter of just under 4Mtpa, with total volumes shipped during the quarter of **978,753** tonnes, comprising 400,627 wmt from Iron Ridge and 578,126 wmt of third-party iron ore subject to logistics contracts with CuFe Limited and Gold Valley.

Corporate:

- Additional hedges secured, now comprising 50,000 tonnes per month from July to September 2024 (at a fixed price of A\$170.80 per tonne) and 20,000 tonnes per month from October to December 2024 (at a fixed price of A\$168.75 per tonne).

- Ms Shannon Coates appointed as a Non-Executive Director and Ms Natalie Teo appointed as Company Secretary.
- Cash as at 30 June 2024 was **A\$77.4 million** (31 Mar 2024: A\$88.3 million), post deployment of A\$24 million in growth project funding, quotation period adjustments, taxes and royalties. In addition, the sixth and seventh shipments for the quarter were dispatched late in the period with A\$14.4 million in receipts not received until early July.

INVESTOR WEBINAR

Fenix will host a live investor briefing on **Monday, 29 July 2024 at 12pm AWST / 2pm AEST**. Register here: <https://bit.ly/3SjKsrK>

MANAGEMENT SUMMARY

“Fenix has made significant progress during the quarter to advance our growth projects. The investments we are making in developing an Inland Port at our Ruvidini rail siding asset and in recommissioning the Shine Iron Ore mine and in advancing a new mine at Beebyn-W11 will have outstanding return on investment outcomes for Fenix.”

“Our teams continue to set new performance records while maintaining an excellent safety record. Seven shipments from Iron Ridge were completed during the quarter totalling over 400 thousand tonnes of high-grade production. Our Newhaul Port Logistics operations also shipped a further 578 thousand tonnes of iron ore for our customers. Fenix is exceptionally positioned to expand our own mining volumes and revenues while also providing excellent support to third-party producers in the Mid-West, unlocking value for the region.”

“Fenix remains totally committed to deliver on our exciting pipeline of growth projects, all of which can be funded from our existing cash reserves. Our ambition is to be mining at a rate of 4 million tonnes per annum in early 2025. We continue to investigate opportunities to grow our production base, extend the mine life of our existing projects, and generate exceptional returns for our shareholders.”

JOHN WELBORN

Executive Chairman



“Fenix is now locked on a pathway to achieving production of 4 million tonnes per annum and is well placed to significantly grow revenues and profits.”

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Fenix Resources Limited (ASX: FEX) (Fenix or the Company) is pleased to report on activities during and subsequent to the quarter ending 30 June 2024 (**June Quarter**).

Fenix shipped a record 978,753 wet metric tonnes (wmt) of high-grade iron ore during the quarter, comprising 400,627 wmt from Iron Ridge and 578,126 wmt of iron ore on behalf of third-party customers. This represents an annualised shipping run rate of just under 4 million tonnes per annum.

The Platts 62 Index Price declined by 10% during the quarter to US\$112/dmt. This impacted the iron ore price received by the Company, with the average CFR price received for sales from Iron Ridge, pre-hedging and prior period quotation price adjustments, of US\$119 per dry metric tonne (dmt) equivalent to A\$180/dmt. This compares with US\$136/dmt, equivalent to A\$206/dmt received in the March 2024 quarter. Importantly, the average CFR price received for Iron Ridge products exceeded the 62%Fe Index Price by 6%, continuing to demonstrate the high quality of the ore products from Iron Ridge.

C1 cash costs for the Iron Ridge Iron Ore Mine were maintained at A\$79.7/wmt despite continued inflationary pressures. This positive cost outcome was largely as a result of record sales volumes achieved for both Iron Ridge and third-party products. The ongoing excellent mine performance thus contributed to a net average C1 operating margin for production from Iron Ridge, excluding hedging and quotation period adjustments, of A\$65/dmt.

Fenix has made significant progress in advancing its pipeline of growth projects, including:

- Confirming an investment decision to restart the Shine Iron Ore Mine with haulage expected to commence during 2024;
- Completing the Feasibility Study to develop the Beebyn-W11 Iron Ore Mine with first production expected in early 2025; and
- Substantially completing development of the Ruvidini inland port, with operations expected to commence in the current quarter.

The Company finished the period with A\$77.4 million in cash, post deployment of A\$8.2m in capital to advance the Company's growth projects (including the Ruvidini Inland Port, Shine Iron Ore Mine, and Beebyn-W11), negative quotation period adjustments of A\$6.6 million and payments of tax and royalties during the period of a further A\$9.2m. The Fenix team remains focused on bringing its pipeline of growth projects into production whilst continuing the strong mining performance at Iron Ridge. The team continues to evaluate a number of new opportunities aimed at growing the operational footprint across the mining, logistics and port services businesses.

MINING

Health & Safety

Fenix is committed to maintaining a safe work environment for all personnel. During the June Quarter, the Company recorded no Lost Time Injuries in mining operations and projects.

Mining & Production

During the June Quarter, Fenix continued its strong operational performance at its flagship Iron Ridge Iron Ore Mine, a premium direct shipping ore operation located approximately 360km north east of Geraldton that hosts some of the highest grade iron ore in Western Australia. Fenix loaded seven ships with a total of 400,627 wmt of iron ore from Iron Ridge (181,672 wmt of lump and 218,955 wmt of fines). To date, Fenix has shipped 4,662,643 wmt (4,402,993 dmt) of product from the Iron Ridge mine. Average grade shipped during the June Quarter was 64.1% Fe for lump product (previous quarter: 64.1%) and 63.3% Fe for fines (previous quarter: 63.1%), demonstrating the unique high-grade high-quality nature of the Iron Ridge ore body. The current project-to-date lump to fines ratio of 46%:54% continues to be significantly higher than the life-of-mine assumed average of 25%:75%.

Iron Ridge Production Summary

Production Summary	Unit	June Q FY24	Mar Q FY24	Dec Q FY24
Ore Mined	k wmt	347.1	444.8	355.0
Lump Ore Produced	k wmt	162.8	150.3	147.0
Fine Ore Produced	k wmt	204.1	181.2	152.1
Lump Ore Hauled	k wmt	171.1	152.0	214.9
Fine Ore Hauled	k wmt	192.1	188.1	139.8
Lump Ore Shipped	k wmt	181.7	168.5	207.1
Fine Ore Shipped	k wmt	219.0	188.1	146.3
C1 Cash Cost (FOB)	A\$/wmt	79.7	77.6	78.2

Iron Ridge Performance at a Glance

Item	Unit	June Q FY24	Mar Q FY24	Dec Q FY24
Lump product sales	k wmt	182	168	207
Fines product sales	k wmt	219	188	146
Total Ore Sales	k wmt	401	357	353
Platts 62% Fe CFR price avg	US\$/dmt	111.8	123.6	128.3
Average Realised CFR price	US\$/dmt	118.5	135.8	137.8
	A\$/dmt	179.7	206.4	212.0
Average Freight cost	US\$/dmt	(19.1)	(18.8)	(17.5)
	A\$/dmt	(29.0)	(28.6)	(27.0)
Average Realised FOB price (pre-QP Adj. & hedging)	US\$/dmt	99.4	117.0	120.3
	A\$/dmt	150.8	177.8	185.0

During the June Quarter the owner of Twin Peaks, 10M Pty Ltd, was placed into voluntary administration. With consent from Fenix, 10M Pty Ltd subsequently executed a Deed of Company Arrangement (DOCA) for a proponent to acquire 10M Pty Ltd and recommence mining at Twin Peaks. Under the DOCA, Fenix's Ore Purchase Agreement (announced on 20 November 2023) was amended such that, following repayment of Fenix's existing loan, Fenix will be entitled to retain 50% of the notional profit from ore sold (previously 30%). As part of the DOCA, Fenix retained all proceeds from Twin Peaks product which had been ore shipped and stored to date, and additionally received a further 10,000 tonnes of high-quality iron ore stockpiled at the mine for nil consideration. Fenix has also been granted the option to acquire Twin Peaks for \$1 if less than 100kt is shipped within 18 months of DOCA effectuation. Fenix considers the DOCA a positive outcome.

Operating Financial Performance

Iron Ridge unaudited C1 FOB Geraldton Cash Costs for the June Quarter were A\$79.7 per wmt shipped, equivalent to ~US\$53/wmt. Inflationary cost pressures have been contained at Iron Ridge through increased sales volumes of both Iron Ridge and third-party products.

Despite volatility in iron ore markets in the June Quarter, the CFR price received from sales of Iron Ridge ore averaged US\$119/dmt (Mar Q: US\$136/dmt), prior to hedging returns and prior period quotation period price adjustments. Fenix's received CFR iron ore price from Iron Ridge continued to outperform the quarterly average 62% Fe CFR index market price of US\$112/dmt (Mar Q: US\$124/dmt) due to Fenix's premium-quality. Iron Ridge sea freight costs remained relatively flat during the quarter at US\$19.1/dmt (equivalent to ~A\$29/dmt).

The average Iron Ridge C1 operating margin, not including hedging and quotation period adjustments, for the June Quarter was A\$65/dmt. The C1 operating margin is calculated as the Average Realised FOB price less C1 Cash Costs, calculated on an equivalent dmt basis for the period.



Fenix's 100% owned Iron Ridge Iron Ore Mine – July 2024

Shine Iron Ore Mine Development

In early July 2024, Fenix announced that it had approved the restart of mining operations at Shine, following the completion of a detailed review and the implementation of operational strategies to improve and de-risk the project. The mine is expected to be brought back into production with a modest A\$7.4 million capital requirement, commencing during the December quarter at a rate of 100kt per month.

Stage 1 of the mine's development is expected to produce a 60% Fe product at an average C1 cash cost of A\$67.5/wmt. Stage 2 and 3 mine plans will be assessed following further optimisation work, with significant opportunity for Fenix to extend mine life at Shine subject to future approvals. Refer to the ASX announcement 4 July 2024 for further information.

Beebyn-W11 Iron Ore Mine Feasibility Study

Fenix has completed a feasibility study for the planned mine development at the Beebyn-W11 deposit. Key investment highlights include:

- Forecast production rate of 1.5 million dmt per annum for 6.7 years at an average strip ratio of 2.2;
- JORC Ore Reserve of 10 million tonnes at an average grade of 62.2% Fe;
- Pre-production capital cost of A\$22.9M with c.A\$3M in post-production capital;
- LOM average C1 cash operating costs of A\$77.5 per wet metric tonne;
- Average LOM annual EBITDA of A\$47.9 million;
- Pre-tax NPV₁₀ of A\$150.9 million and estimated pre-tax Internal Rate of Return of 189%, offering further significant upside at current iron ore prices; and
- Regulatory and Environmental Approvals well progressed and expected in Q3 2024, with first production targeted for Q1 2025.

Refer to the Fenix ASX announcement dated 25 July 2024 for further information.

NEWHAUL ROAD LOGISTICS

Health & Safety

Newhaul Road Logistics (formerly Fenix-Newhaul) recorded 1 Lost Time Injury across its operations during the June Quarter.

Haulage Performance

During the quarter, Newhaul Road Logistics hauled 363,148 wmt of iron ore from Fenix's Iron Ridge operations to the Company's on-wharf storage facilities at Geraldton Port. In addition, Newhaul Road Logistics continued to haul third-party product from a third party shed located in close proximity to the Geraldton Port, to facilitate a third party port services contract.

Newhaul Road Logistics continued to expand its fleet during the quarter, to support the planned developments at the Shine Iron Ore Mine, the Beebyn-W11 Iron Ore Mine, Ruvidini inland port and in anticipation of securing additional third-party haulage contracts.

Ruvidini Inland Port Terminal

Development at the Ruvidini inland port is substantially complete, with first volumes expected at the port in the current quarter. The inland port will provide Fenix the ability to moderate the timing surrounding tonnages shipped through Fenix's Geraldton Port facilities, improving efficiency by reducing bottlenecks and providing storage of iron ore materials for minimal cost.

Fenix continues to explore future opportunities to extend the Company's logistics offering to include rail haulage solutions as a means to bolster future revenue opportunities for both Fenix-owned product as well as third-party producers seeking to export through the Port of Geraldton.



Ruvidini Inland Port Construction – July 2024

NEWHAUL PORT LOGISTICS

The Newhaul Port Logistics (formerly Fenix Port Services) business owns and operates three large on-wharf bulk material storage sheds at Geraldton Port. These storage facilities are connected to the Company's truck unloader, and to the Mid-West Port Authority's rail unloader, and are currently capable of storing more than 400,000 tonnes of bulk commodity and facilitating export of more than 5 million tonnes a year.

Health & Safety

Newhaul Port Logistics recorded one LTI across its port operations during the June Quarter.

Shipping Performance

Newhaul Port Logistics shipped a total of 978,753 wmt of iron ore during the quarter via the Company's on-wharf storage facilities at Geraldton Port. This consisted of 400,627 wmt of product from Fenix's Iron Ridge mine and 578,126 wmt of product on behalf of third-party customers. This represents an annual run rate of just under 4 million tonnes per annum.

The Company expects to continue to boost export volumes during the upcoming quarters as a result of the Gold Valley contract noted above, as well as through shipment volumes from the Shine Iron Ore Mine that is planned to commence sales from the December quarter.

CORPORATE

Hedging and Quotation Period Adjustments

Fenix current hedges consist of swap contracts for 50,000 tonnes per month from July to September 2024 (at a fixed price of A\$170.80 per tonne) and 20,000 tonnes per month from October to December 2024 (at a fixed price of A\$168.75 per tonne). These hedging arrangements are structured as swap contracts facilitated by Macquarie Bank Limited and are based on the Monthly Average Platts TSI 62 Index converted to AUD for the relevant month. Cash settlement occurs 5 business days after the end of each month.

Total quotation period adjustments of -A\$9.4 million were recorded in the quarter, relating to the prior quarter's shipments. A total of ~A0.2 million paid to settle three hedging contracts (March 2024, April 2024 and May 2024) during the quarter.

Funding support to Athena Resources Limited

On 1 March 2024, Fenix announced that it had reached an agreement to provide funding support of up to A\$1m to Athena by way of a subscription for convertible notes in two tranches. Fenix provided funding of \$320k in respect of the first tranche during the quarter, which enabled Athena to release a scoping study on 20 May 2024 (refer to Athena ASX announcement dated 20 May 2024).

The issue of the second tranche of \$680k in convertible notes was approved by Athena shareholders on 23 May 2024. Subsequent to the end of the quarter, Mr John Welborn and Mr Garry Plowright joined the Board of Athena as Non-Executive Chairman and Non-Executive Director respectively (refer to Athena ASX announcement dated 25 July 2024). Athena is investigating the opportunity to leverage Fenix's capabilities and has commenced a comprehensive review of operations, strategy and funding arrangements. It is expected that the review will result in a restructure and the appointment of a new Chief Executive Officer who will be tasked with advancing a focused strategy for the exploration and development of the Byro Magnetite Project with potential collaboration with Fenix to be investigated.

Cash Flows and Position

Cash as at 30 June 2024 was A\$77.4 million (31 Mar 2024: A\$88.3 million). Cash outflows during the quarter included the following material items:

- A\$9.2m paid in taxes and royalty payments;
- A\$6.6m paid in respect of quotation period adjustments arising from the prior quarter's shipments;
- A\$0.2m paid in the settlement of hedging swap contracts; and
- Net capital expenditure increased during the quarter to A\$8.2m to fund the Ruvidini inland port development, expansion of Newhaul Road Logistics' operations and capitalised Beebyn-W11 development costs.

These cash flows did not include net sales receipts of A\$14.4 million in respect of the last two shipments during the quarter as the funds for these shipments were received in early July 2024.

In accordance with ASX Listing Rule 5.3.5, \$300,125 in payments were made to related parties or their associates during the quarter, including Executive Director salaries and superannuation payments, Non-Executive Director fees and superannuation payments.

Business Development

Fenix's immediate focus remains on augmenting Iron Ridge production with new production from Shine and Beebyn-W11, as well as delivering on the expanded logistics offering provided by the commissioning of the Ruvidini Inland Port.

Fenix continues to engage with interested parties in assessing new opportunities to expand its mining and third-party logistics business, positioning the business further for exciting long-term growth.

Fenix remains open to exploring regional opportunities for exploration, development and production, both in collaboration with third parties and/or the acquisition of quality mineral projects and mining infrastructure assets in the Mid-West.

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

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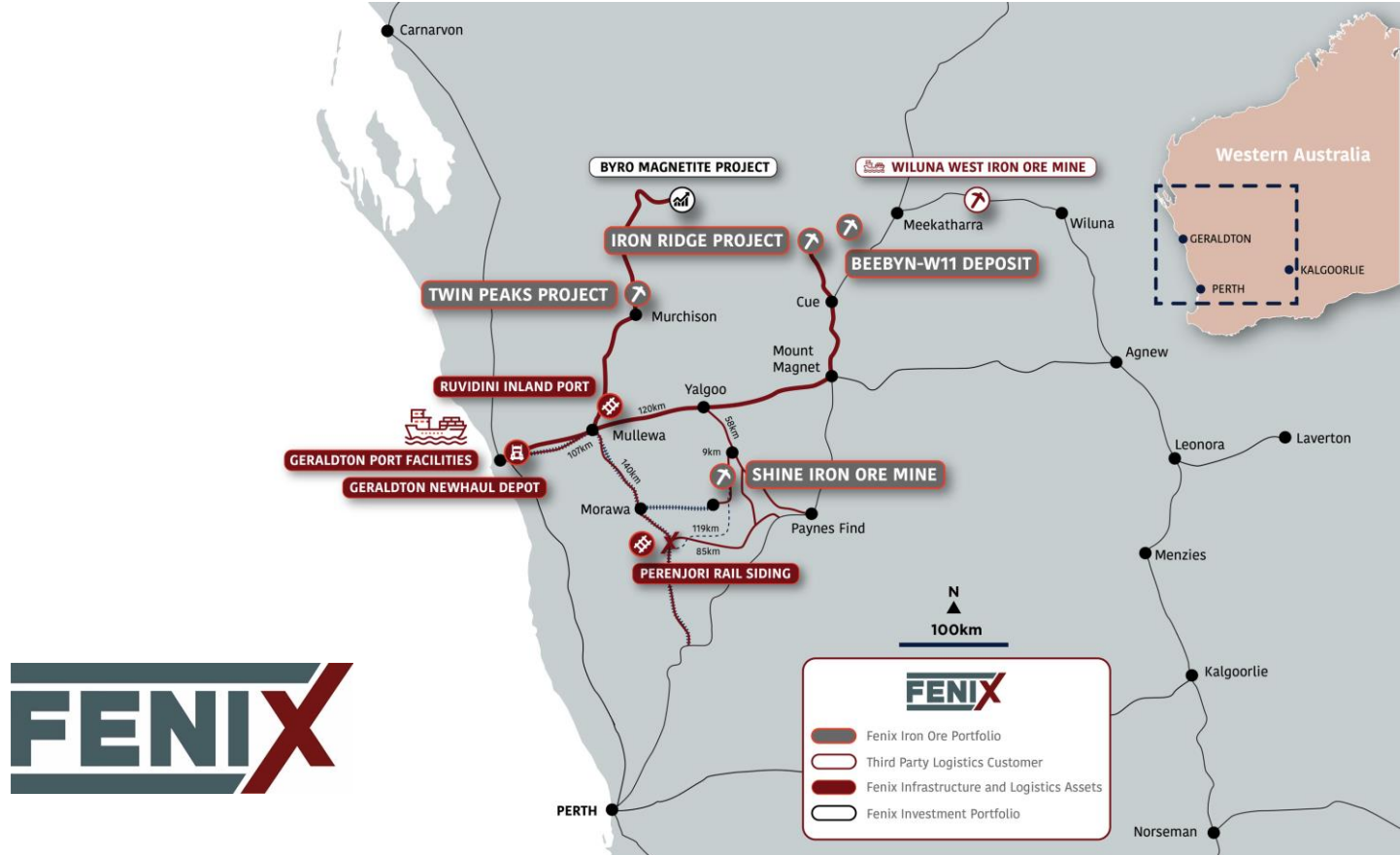
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COMPETENT PERSON STATEMENTS

The information in this announcement relating to the Shine Mineral Resource is based on information compiled by Ms Elizabeth Haren, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. Ms Haren is a consultant to Fenix Resources Limited. Ms Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement on 29 June 2023 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Shine Mineral Resource comprises 5.1Mt Measured, 6.3Mt Indicated and 3.6Mt Inferred.

The information in this announcement relating to the Beebyn-W11 Mineral Resource is based on information compiled by Dr Heather King, a Competent Person who is a member of the South African Council for Natural Scientific Professions (SACNASP) and a Fellow of the Geological Society of South Africa (GSSA). Dr King is an employee of A&B Global Mining (Pty) Ltd, a sub-consultant of ResourcesWA Pty Ltd. Dr King has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement on 3 October 2023 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Beebyn-W11 Mineral Resource comprises 13.22Mt Measured and 7.25Mt Indicated.

The information in this announcement relating to the Beebyn-W11 Ore Reserve is based on information compiled by Mr. Ross Cheyne, who is an employee of Orelogy Consulting (Pty) Ltd, and a Fellow of the AusIMM. The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement on 25 July 2024 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement, including the production targets and forecast financial information based on production targets, continue to apply and have not materially changed.



Fenix Resources (ASX: FEX) is a highly profitable, fully integrated mining, logistics and port services business with assets in the Mid-West region of Western Australia. Fenix operates a unique fully integrated mining and logistics business. High quality iron ore products are transported by road to Geraldton using the Company's 100% owned Newhaul Road Logistics business. Fenix's wholly owned Newhaul Port Logistics business operates its own loading and storage facilities at the Geraldton Port, with storage capacity of more than 400,000 tonnes and loading capacity of more than 5 million tonnes per annum.

Fenix's diversified Mid-West iron ore, port and rail asset base provides an excellent foundation for future growth. These assets include the Iron Ridge mine, the Beebyn-W11 Deposit, the Twin Peaks Iron Ore Mine, the Shine Iron Ore Mine, the Newhaul Road Logistics haulage business which includes a state-of-the-art road haulage fleet, two rail sidings at Ruvidini and Perenjori, as well as the Newhaul Port Logistics business that operates three on-wharf bulk material storage sheds at the Geraldton Port.

The Company's 100% owned, flagship Iron Ridge Iron Ore Mine is a premium high grade, high margin, direct shipping iron ore operation located approximately 360km northeast of Geraldton that hosts some of the highest-grade iron ore in Western Australia. Production commenced at Iron Ridge in December 2020 and is currently operating at the production run rate of 1.4 million tonnes per annum. Fenix will substantially increase its production profile with the addition of the tonnes¹ from the Shine Iron Ore Mine restart and the 1.5 million tonnes per annum Beebyn-W11 Project, due to be in production in late 2024 and early 2025 respectively.

The Company is led by a proven team with deep mining and logistics experience and benefits from strategic alliances and agreements with key stakeholders, including the Wajarri Yamaji people who are the Traditional Custodians of the land on which Fenix is currently operating. Fenix is focused on promoting opportunities for local businesses and the community. The Company has generated more than 200 local jobs. Fenix is proud to have a strong indigenous representation in the Company's workforce and to be in partnership with leading local and national service providers. We acknowledge the Wajarri Yamaji people as the Traditional Custodians of the land our Iron Ridge Project is located on. We pay our respects to elders and leaders past, present and emerging.

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¹ Please see the announcement dated 4 July 2024, which sets out the production guidance from Shine is expected to reach a rate of 100,000 tonnes per month during the current financial year.