

QUARTERLY REPORT

For the period ending
31 March 2024



18 April 2024

MARCH 2024 QUARTERLY ACTIVITIES REPORT

Record Fenix Iron Ore Shipments of 415,903 wet metric tonnes

Iron Ridge C1 cash costs reduced to A\$77.6/wmt

Fenix Port Services exported 851,516 tonnes of iron ore

New A\$70m haulage and logistics contract with Gold Valley

Cash as at 31 March 2024 of A\$88.3 million

HIGHLIGHTS

Mining:

- Seven Fenix iron ore shipments completed totalling **415,903 wmt** of iron ore representing a Company record
- Continued strong performance at Iron Ridge with six shipments totalling **356,628 wmt** of iron ore consisting of 168,496 wmt of lump and 188,132 wmt of fines
- C1 Cash Costs for Iron Ridge reduced to **A\$77.6/wmt** shipped FOB Geraldton (Dec Q:A\$78.2) equivalent to US\$51/wmt (Dec Q:US\$51/wmt)
- CFR price received for Iron Ridge ore of US\$136/dmt, equivalent to **A\$206/dmt** CFR (Dec Q:US\$138/dmt)
- Shipping US\$18.8/dmt (Dec Q:US\$17.5/dmt), equivalent to A\$29/dmt (Dec Q:A\$27/dmt)
- Net C1 operating margin for Iron Ridge of **A\$95/dmt** (Dec Q: A\$102/dmt)
- First shipment completed from Twin Peaks Mine in March totalling **59,275 wmt** of lump iron ore at an average grade of 61.9%Fe
- Feasibility Study progressed for proposed Beebyn-W11 mine development consistent with the 10 million tonne Right to Mine secured by Fenix
- Grade control drilling program completed at the Shine Iron Ore Mine in preparation for recommissioning investment decision
- Initial payment received for the sale of Extension Hill assets with future royalty payments to be received on ongoing production from Terra Mining

Logistics:

- A\$70m haulage and logistics contract secured with Gold Valley with operations expected to commence during the current quarter
- Ruvidini Inland Port terminal to be developed to facilitate increased logistics and port services volumes

Port Services:

- Annual shipping run rate achieved of approximately 3.5Mtpa, with total volumes shipped during the quarter of **851,516** tonnes, comprising 356,628 wmt from Iron Ridge, 59,275 wmt from Twin Peaks and 435,614 wmt of third-party iron ore subject to logistics contracts with CuFe Limited and Gold Valley.

Corporate:

- Record Half Year Revenue of A\$126.9m, up 49% from prior corresponding period (pcp), EBITDA of A\$42.8m, up 110% from pcp, and Net Profit After Tax of A\$22.1m, up 102% from pcp, published in the Company's Audited Half Year financial results for the six months to 31 December 2023
- Funding of up to A\$1m agreed with Athena Resources Limited to support the development of the Byro Magnetite Project
- Fenix added to the ASX All Ordinaries Index during March 2024
- Cash as at 31 March 2024 of **A\$88.3 million** (31 Dec 2023: A\$63.2 million) demonstrating Fenix generated A\$25m net cash during the quarter

INVESTOR WEBINAR

Fenix will host a live investor briefing on **Friday, 19 April 2024 at 9:30am AWST / 11:30am AEST**. Register here: <https://bit.ly/3UIFz35>

MANAGEMENT SUMMARY

"Fenix is delivering on our strategy to expand our high-grade, high-margin iron ore mining operations in the Mid-West and build a highly profitable multi-commodity logistics and port services business. Our unique road, rail and port infrastructure advantage in the Mid-West is unlocking value from high-quality regional deposits."

"The Company generated more than A\$25 million in net cash during the March quarter from selling a record 416,000 tonnes of Fenix iron ore and shipping an additional 436,000 tonnes of iron ore for our third-party customers. We expect these impressive numbers to continue as we aim to set new records with the addition of future production opportunities at Beebyn-W11 and Shine and the significant expansion of our third-party logistics business with the new A\$70m Gold Valley haulage and logistics contract."

"Fenix remains focused on an exciting growth path designed to generate increased revenues and profits by building a sustainable business of scale that can deliver exceptional value for our shareholders."

JOHN WELBORN

Chairman



"Fenix generated A\$25 million in net cash from record production tonnes and the expansion of our third-party logistics business. We are focused on using our infrastructure advantages in the Mid-West 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 the quarter ending 31 March 2024 (**March Quarter**).

Fenix shipped 851,516 wet metric tonnes (wmt) of high-grade iron ore during the quarter, comprising 356,628 wmt from Iron Ridge, a first shipment of 59,275 wmt from the Twin Peaks Mine and 435,614 wmt of iron ore on behalf of third-party customers. This represents an annual shipping run rate of approximately 3.5 million tonnes per annum.

The received iron ore price remained strong during the March Quarter with the average CFR price received for sales from Iron Ridge, pre-hedging and quotation price adjustments, of US\$136 per dry metric tonne (dmt) equivalent to A\$206/dmt.

C1 cash costs for the Iron Ridge Iron Ore Mine reduced to ~A\$77.6/wmt as a result of increased mining volumes and good ore availability. The ongoing excellent mine performance, accompanied by strong iron ore prices, generated a net C1 operating margin for production from Iron Ridge, excluding hedging and quotation period adjustments, of A\$95/dmt.

The announcement of the A\$70m haulage and logistics contract with Gold Valley continued the development of an independent logistics business with the significant expansion of Fenix-Newhaul and Fenix Port Services.

The Company finished the period with A\$88.3 million in cash, having generated net cash of more than A\$25m during the quarter. The Fenix team remains focused on continuing the strong mining performance at Iron Ridge, advancing the development of Beebyn-W11 and Shine, and continuing to build a profitable logistics and port services business that can unlock value in the Mid-West for Fenix and our customers.

MINING

Health & Safety

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

Mining & Production

During the March 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 six ships with a total of 356,628 wmt of iron ore from Iron Ridge (168,496 wmt of lump and 188,132 wmt of fines). To date, Fenix has shipped 4,262,016 wmt (4,031,224 dmt) of product from the Iron Ridge mine. Average grade shipped during the March Quarter was 64.1% Fe for lump product (previous quarter: 64.2%) and 63.1% 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	Mar Q FY24	Dec Q FY24	Sep Q FY24
Ore Mined	k wmt	444.8	355.0	367.9
Lump Ore Produced	k wmt	150.3	147.0	222.2
Fine Ore Produced	k wmt	181.2	152.1	212.1
Lump Ore Hauled	k wmt	152.0	214.9	174.4
Fine Ore Hauled	k wmt	188.1	139.8	211.2
Lump Ore Shipped	k wmt	168.5	207.1	166.4
Fine Ore Shipped	k wmt	188.1	146.3	186.0
C1 Cash Cost (FOB)	A\$/wmt	77.6	78.2	75.9

Iron Ridge Performance at a Glance

Item	Unit	Mar Q FY24	Dec Q FY24	Sep Q FY24
Lump product sales	k wmt	168	207	166
Fines product sales	k wmt	188	146	186
Total Ore Sales	k wmt	357	353	352
Platts 62% Fe CFR price avg	US\$/dmt	123.6	128.3	114.0
Average Realised CFR price	US\$/dmt	135.8	137.8	116.4
	A\$/dmt	206.4	212.0	177.7
Average Freight cost	US\$/dmt	(18.8)	(17.5)	(17.2)
	A\$/dmt	(28.6)	(27.0)	(26.2)
Average Realised FOB price	US\$/dmt	117.0	120.3	99.2
(pre-QP Adj. & hedging)	A\$/dmt	177.8	185.0	151.5

During the March Quarter, Fenix also exported 1 ship containing 59,275 wmt of iron ore sourced from the high-grade Twin Peaks Direct Shipping Iron Ore Mine (Twin Peaks). Under the agreement with 10M Pty Ltd, Fenix has the exclusive right to purchase and export up to 500,000 tonnes of Direct Shipping Ore within a 24-month period with Fenix responsible for haulage, storage, port services, ship loading, marketing and ore sales (refer to ASX announcement dated 3 October 2023). The maiden Twin Peaks shipment demonstrates Fenix's unique ability to apply its fully integrated haulage and port services capabilities to unlock value from stranded Mid-West resource assets.

The Twin Peaks shipment was entirely lump material with an average grade of 61.9%Fe and was provisionally priced at a realised CFR price of ~US\$121/dmt (A\$185/dmt). Subject to the sale agreements the final pricing of the shipment will be finalised during the current quarter which will enable Fenix to calculate and pay any profit share royalty due to 10M Pty Ltd.

Project Development

During the March Quarter, Fenix continued to advance its related near-term mining projects:

- Beebyn-W11 Deposit: Fenix is simultaneously progressing workstreams to support a mining permit application and a feasibility study. Activities commenced and/or completed included:
 - Targeted haul road route identified, with miscellaneous licence application submitted, land access agreements being drafted and infrastructure planning advanced
 - Heritage survey planning advanced, with discussions held Wajarri Yamaji traditional owners

- Environmental consultants appointed, with surveys planned during the June quarter
- Mine design and schedule optimisation progression, with associated studies being progressed to support the mine permit application
- Feasibility study being progressed in tandem, with planned finalisation during the June quarter
- Shine iron ore mine: Drilling and test work analysis completed at Shine, with mine optimisation work currently underway to inform an investment decision. The Company will update the market on any investment decision made on a recommissioning program and timeline.

Operating Financial Performance

Iron Ridge unaudited C1 FOB Geraldton Cash Costs for the March Quarter were A\$77.6 per wmt shipped, equivalent to ~US\$51/wmt. Inflationary cost pressures have been contained at Iron Ridge through increased mining volumes and the continuing savings generated by economies of scale at Fenix's expanded port services operations and within the Fenix-Newhaul haulage and logistics business.

Despite volatility in iron ore markets in the March Quarter, the CFR price received from sales of Iron Ridge ore averaged US\$136/dmt (Dec Q: US\$138/dmt), prior to hedging returns and 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\$124/dmt (Dec Q: US\$128/dmt) due to Fenix's premium-quality and a high proportion of lump sales. Market prices declined at the end of the quarter and in early April the 62% Fe index price briefly dipped below US\$100/dmt before recovering to be currently trading back above US\$110/dmt.

Iron Ridge sea freight costs increased by 7% during the quarter to US\$18.8/dmt (equivalent to ~A\$29/dmt).

The Iron Ridge C1 operating margin, not including hedging and quotation period adjustments, for the March Quarter was A\$95/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 – March 2024

Extension Hill Sale Proceeds

In a tri-partite asset sale agreement executed in September 2023, Fenix agreed to sell the Extension Hill Assets to Terra Mining and EHPL (see ASX Announcement dated 29 September 2023). The consideration payable by Terra Mining to Fenix consists of up to A\$2 million comprising:

- A\$250,000 payable on the earlier of one month after the first shipment of ore from the Extension Hill Magnetite Project and 12 months after completion; and
- a royalty of A\$0.50 per tonne of material produced and sold from the Extension Hill Magnetite Project, up to a cap of A\$1,750,000.

During the quarter, Fenix received payment of the initial consideration payment of A\$250,000, with the ongoing royalty payments to be received quarterly in arrears up to the cap of A\$1,750,000.

LOGISTICS

Health & Safety

Fenix-Newhaul recorded 1 Lost Time Injury across its operations during the March Quarter. In January, a driver reported a pain in his shoulder which was affecting his ability to work.

Haulage Performance

During the quarter, Fenix-Newhaul hauled 398,549 wmt of iron ore from Fenix's operations to the Company's on-wharf storage facilities at Geraldton Port. This comprises 340,091 wmt from Iron Ridge and 58,458 wmt from Twin Peaks. In addition, Fenix-Newhaul commenced haulage from a third party shed located in close proximity to the Geraldton Port, to facilitate an additional third party port services contract.

Fenix-Newhaul is currently expanding its fleet in anticipation of future haulage requirements as the Company ramps up development at Beebyn-W11, approached an investment decision for Shine, and secures additional third-party haulage contracts.

A\$70m Haulage and Logistics Contract with Gold Valley

On 14 March 2024, the Company announced that Fenix-Newhaul and Fenix Port Services had secured a A\$70m haulage and logistics contract with Gold Valley, an iron ore producer with existing operations in the Mid-West. Key terms of the contract are contained in the ASX announcement and are summarised as follows:

- Fenix-Newhaul appointed as haulage and logistics services provider for the transport of 3Mt of iron ore extracted from Gold Valley's Mid-West operations, which will be delivered by Gold Valley to Fenix's inland port terminal at Ruvadini Rail Siding and then hauled by Fenix-Newhaul to Fenix's facilities at Geraldton Port.
- Fenix Port Services appointed to provide services to Gold Valley in relation to the 3Mt of product which will be transported through Fenix's facilities at Geraldton Port. The Port Services Agreement covers the comprehensive services required for handling and storage of Gold Valley's ore from delivery to Geraldton Port by Fenix-Newhaul up to the point the product has been loaded onto ocean-going vessels for export.
- Appointments cover up to a three-year period, commencing from the date Ruvadini Rail Siding has been recommissioned for use, ending at the earlier of 3 years after the date of commencement of services and when the total number of tonnes handled under the Agreements reaches 3Mt. The parties may agree to extend the term by mutual agreement.
- The applicable fees payable to Fenix by Gold Valley are comprised of a combination of fixed period-based rates, fixed and variable rates based on tonnage, capacity reservation charges, and the standard schedule of rates and tariffs imposed by the Mid West Ports

Authority (MWPA) at Geraldton Port. Based on the haulage and export of 3Mt of product over a three year term, the combination of the fixed and variable fees and charges for Haulage and Port Logistics services will generate more than A\$70 million in revenue for Fenix.

- Prior to commencement of services, Gold Valley is to provide Fenix with upfront cash consideration of approximately A\$1.4 million, to be used to fund the required capital expenditure at the Ruvidini Rail Siding which may be offset against the fixed fees payable under the Haulage and Logistics Agreement.
- Fenix will be entitled to retain possession of a security by way of unconditional bank guarantee, intended to cover three-months' expected service fees and subject to escalation per standard rise and fall measures.
- Gold Valley will be subject to customary take-or-pay provisions enforced by the MWPA for minimum throughput tonnages shipped through Geraldton Port.

Ruvidini Inland Port Terminal

Following the execution of the new A\$70 million logistics contract with Gold Valley, Fenix has commenced construction of the Ruvidini inland port terminal to support the increased logistics and port services volumes.

Fenix's landholding at Ruvidini, located approximately 100 kilometres to the east of the Geraldton Port, covers significant acreage which was originally developed and used for storage and staging of various bulk materials prior to rail haulage to Geraldton Port. The land is accessible by road or by rail, via the siding connection to the Geraldton Rail network. Ruvidini Rail Siding provides an opportunity for higher volumes, and flexibility for increased accessibility and efficiency of haulage and logistics throughput to Geraldton Port.

The development of Ruvidini as an inland port provides 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 intends to work in partnership with Main Roads to rehabilitate and commission the Ruvidini Rail Siding, including associated road works. Fenix is exploring 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 – March 2024

FENIX PORT SERVICES

Fenix Port Services business owns and operates three large on-wharf bulk material storage sheds at Geraldton Port. These storage facilities are connected to Fenix'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

Fenix Port Services recorded no Lost Time Injuries across its port operations during the March Quarter.

Shipping Performance

Fenix shipped a total of 851,516 wmt of iron ore during the quarter via the Company's on-wharf storage facilities at Geraldton Port. This consisted of 356,628 wmt of product from Fenix's Iron Ridge mine, 59,275 wmt from Twin Peaks and 435,614 wmt of product on behalf of third-party customers. This represents an annual run rate of approximately 3.5 million tonnes per annum.

The Company expects to continue to boost export volumes as a result of the Gold Valley contract noted above, as well as through Fenix's planned mine developments, additional Mid-West mining projects being developed and additional third-party port services contracts.

CORPORATE

Strong Performance and Earnings Growth in Half Year Financial Results

On 29 February 2024, Fenix announced the Company's financial results for the Half Year ended 31 December 2023 (H1 FY24).

Total revenue generated during the Half Year was up 49% to A\$126.9 million which enabled Fenix to deliver Half Year earnings before interest, tax, depreciation and amortisation (EBITDA) of A\$42.8 million, up 110% from the prior corresponding period (H1 FY23).

Fenix shipped a total of 1,446,190 wet metric tonnes (wmt) of iron ore during the six-month period. This was made up of 705,786 wmt of iron ore produced and sold from the Company's 100% owned Iron Ridge Mine and 740,404 wmt of third party iron ore stored and loaded by the Company's Fenix Port Services business.

Excellent operating performance, business growth, and the Company's ongoing ability to reduce costs in the prevailing strong iron ore price environment, generated a pleasing Net Profit after Tax for the Half Year of A\$22.1 million, up 102% from H1 FY23.

For complete details of the Company's financial performance for the Half Year ended 31 December 2023, please refer to the Appendix 4D and the Interim Financial Report for the Half Year Period ended 31 December 2023 released to the ASX on 29 February 2024 and available on the Company's website.

Funding support to Athena Resources Limited (Athena)

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. The funding to be supplied by Fenix is intended to assist Athena in completion of the pending Scoping Study of Athena's Byro Magnetite Project in Western Australia's Mid-West region.

The Byro Magnetite Project is located 340km north-east of the port of Geraldton and hosts a magnetite mineral resource. Athena is working to complete a Scoping Study for the production of a high grade, low impurity magnetite concentrate that would demand a premium price and could be hauled to Geraldton for export.

Fenix inclusion in the ASX All Ordinaries Index

On 1 March 2024, S&P Dow Jones Indices announced its quarterly rebalances of relevant S&P/ASX indices. Fenix was included in the ASX All Ordinaries Index which comprises a weighted basket of the 500 largest eligible companies listed on the ASX. Inclusion in such major indices

typically yields the benefit of greater investor interest and can result in greater liquidity and higher volume of shares traded.

Hedging and Quotation Period Adjustments

Fenix current hedges consist of swap contracts for 50,000 dmt of iron ore per month through to June 2024 at a fixed price of A\$170.25 per dmt. 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\$1.5 million were recorded in the quarter. This amount was offset by a total of ~A4.8 million paid to settle three hedging contracts (December 2023, January 2024 and February 2024).

Cash Flows and Position

Cash as at 31 March 2024 was A\$88.3 million (31 Dec 2023: A\$63.2 million). Cash flows during the quarter included the following material items:

- A\$8.6m paid in taxes and royalty payments;
- A\$6.7m tax refund for FY23's final tax assessment;
- A\$4.8m paid in the settlement of hedging swap contracts; and
- Net capital expenditure increased during the quarter to A\$9.0 million as Fenix commenced preparation of surrounding infrastructure to facilitate mine development at Beebyn-W11, initial works at the Fenix Ruvidini Inland Port as well as further acquisitions of new prime mover trucks, net of the disposal of existing fleet, as part of the expansion of the Company's haulage fleet.

Fenix generated more than A\$25m in positive net cash for the quarter, demonstrating the highly cash generative nature of the Iron Ridge mine as well as Fenix's third-party port services offering. These cash flows did not include sales receipts of A\$8.5 million for the last shipment for the quarter as the funds for this shipment were received in early April 2024.

In accordance with ASX Listing Rule 5.3.5, \$1,101,375 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 and the final payment for the acquisition of Newhaul Pty Ltd.

Business Development

Fenix's immediate focus remains on augmenting Iron Ridge and Twin Peaks production with new production from Beebyn-W11 and Shine, as well as delivering on the expanded logistics offering on the back of securing the Gold Valley logistics contract.

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 longer-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.

Change of Registered Office and Principal Place of Business

In accordance with Listing Rule 3.14, Fenix advises that from 1 May 2024 the Company's registered office and principal place of business and the Company's contact telephone number will change to:

- Address: Level 33, 1 Spring Street, Perth, WA, 6000
- Telephone: (08) 6285 0456

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

John Welborn

Chairman

Fenix Resources Limited

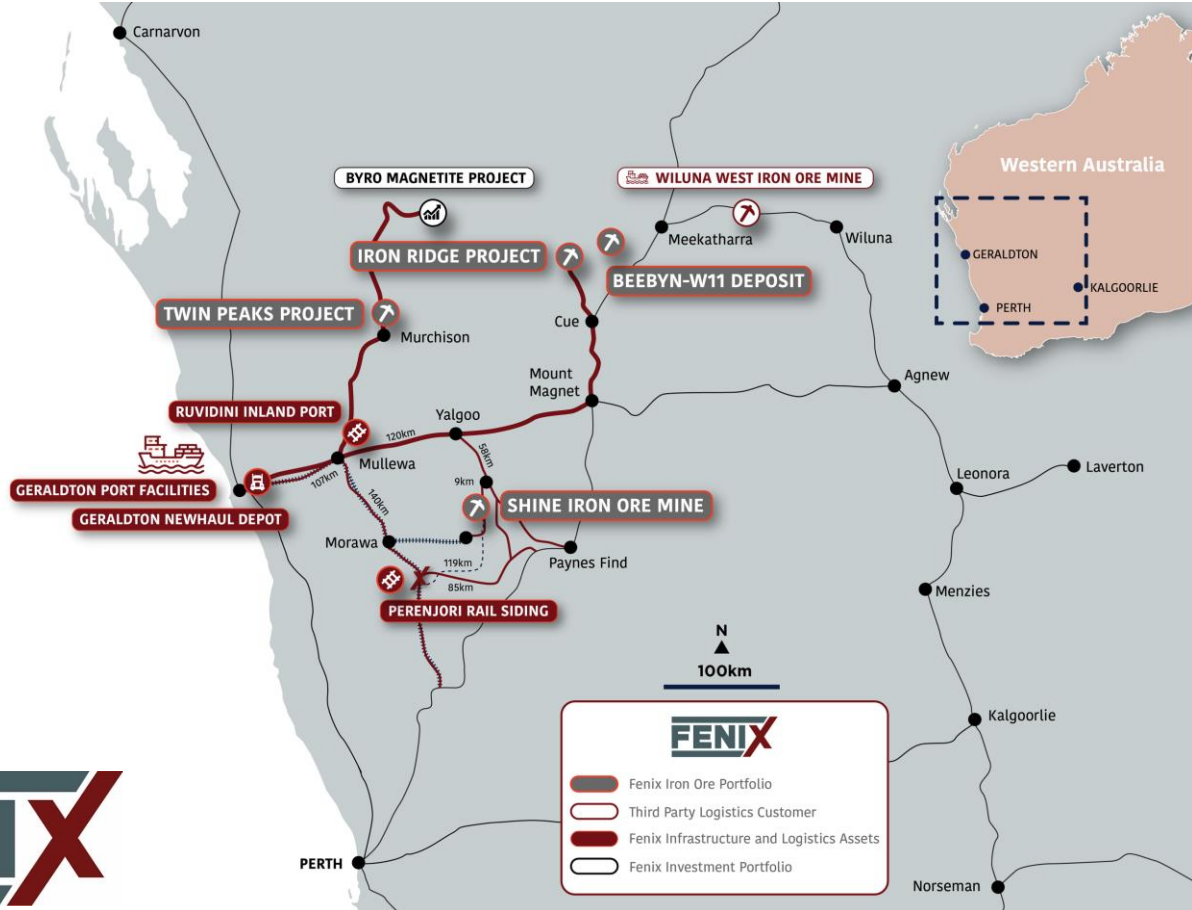
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Fenix Resources (ASX: FEX) is a highly profitable, fully integrated mining, logistics and port services business with assets in the Mid-West region of Western Australia.

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 Fenix-Newhaul haulage and logistics business. Fenix's wholly-owned Fenix Port Services 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 Fenix-Newhaul haulage business which includes a state-of-the-art road haulage fleet, two rail sidings at Ruvidini and Perenjori, as well as the Fenix Port Services business that operates three on-wharf bulk material storage sheds at 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 north east 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 1.3 million tonnes per annum.

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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