

QUARTERLY REPORT

For the period ending 30 September 2024



ASX ANNOUNCEMENT

24 October 2024

SEPTEMBER 2024 QUARTERLY ACTIVITIES REPORT

Total export volume of 769,831 wet metric tonnes

Iron Ridge C1 cash costs reduced to A\$78.8/wmt

Iron Ridge C1 operating margin of A\$46/dmt

Production and haulage commenced at Shine Iron Ore Mine

Beebyn-W11 Iron Ore Mine development progress

On track for production rate of 4 million tonnes per annum during 2025

Cash as at 30 September 2024 of A\$72.0 million

HIGHLIGHTS

Mining:

- Six Fenix iron ore shipments completed from Iron Ridge totalling 345,950 wet metric tonnes (**wmt**) of iron ore, consisting of 156,642 wmt of lump and 189,308 wmt of fines
- C1 Cash Costs for Iron Ridge maintained at A\$78.8/wmt shipped FOB Geraldton (Jun Q:A\$79.7) equivalent to US\$53/wmt (Jun Q:US\$53/wmt)
- CFR price received for Iron Ridge ore of US\$106/dry metric tonnes (**dmt**), equivalent to A\$159/dmt CFR (Jun Q:US\$119/dmt)
- Shipping US\$18.5/dmt (Jun Q:US\$19.1/dmt), equivalent to A\$28/dmt (Jun Q:A\$29/dmt)
- Net average C1 operating margin for Iron Ridge of A\$46/dmt (Jun Q: A\$65/dmt)
- Mining commenced at the Shine Iron Ore Mine as scheduled, with first shipment expected in the current quarter
- Beebyn-W11 Iron Ore Mine approvals progressed, with first production on track for early 2025
- Zero Lost Time Injuries, reflecting commitment to maintain safe and productive workplaces
- Fenix successfully shipped its 5 millionth tonne from Iron Ridge during September 2024

Logistics:

- Ruvidini Inland Port terminal substantially completed

Port Services:

- Total shipping volumes of **769,831** tonnes shipped during the quarter, comprising 345,950 wmt from Iron Ridge and 423,881 wmt of third-party iron ore on behalf of CuFe Limited and Gold Valley

Corporate:

- Cash as at 30 September 2024 of A\$72.0 million (30 Jun 2024: A\$77.4 million) post deployment of A\$21 million in growth project funding, Shine working capital, quotation period adjustments, and taxes and royalty payments

- Net receipts from the settlement of hedging swap contracts totalled A\$2.2 million, with the hedge book now comprising swap contracts for 50,000 tonnes per month from October 2024 to December 2024 at a fixed price of A\$150.00 per tonne

INVESTOR WEBINAR

Fenix will host a live investor briefing on **Thursday, 24 October 2024 at 9:15am AWST / 12:15pm AEDT**. Register here: <https://bit.ly/3BPWKTH>



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

MANAGEMENT SUMMARY

“Fenix is on track to triple our annual production of iron ore during 2025. Our flagship Iron Ridge Iron Ore Mine continues to produce high quality consistent production with excellent economics. Mining has commenced at the Shine Iron Ore Mine and full-scale production and haulage is expected to commence in the current quarter on budget. Development of the Beebyn-W11 mine is well progressed with all approvals expected to be received such that mining can commence in early 2025.

“Fenix remains totally committed to deliver on our exciting pipeline of growth projects all of which can be funded from our existing cash reserves. We continue to investigate further 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 Resources Limited (ASX: FEX) (Fenix or the Company) is pleased to report on activities during the quarter ended 30 September 2024 (**September Quarter**).

Strong ongoing operational performance during the September quarter was supported by excellent progress on the Company's key growth projects. Fenix shipped 769,831 wmt of high-grade iron ore, comprising 345,950 wmt from Iron Ridge and 423,881 wmt of iron ore on behalf of third-party customers.

The September quarter was challenging for iron ore producers with the Platts 62 Index Price dropping by 11%. Fenix outperformed market pricing, with prices received by the Company for Iron Ridge production exceeding the 62% Fe Index Price by 7%, demonstrating the high quality of Fenix's Iron Ridge high-grade iron ore products. Fenix achieved an average CFR price for sales from Iron Ridge, pre-hedging and prior period quotation price adjustments, of US\$106/dmt (equivalent to A\$159/dmt), down from the US\$119/dmt (equivalent to A\$180/dmt) received in the June 2024 quarter.

C1 cash costs for Iron Ridge decreased slightly to A\$78.8/wmt despite continued inflationary pressures. This positive cost outcome was largely the result of strong mining volumes and declining strip ratios at Iron Ridge. The ongoing excellent mine performance contributed to a net average C1 operating margin for production from Iron Ridge, excluding hedging and quotation period adjustments, of A\$46/dmt.

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

- Mining commenced at the Shine Iron Ore Mine in August 2024, with full production and first shipment expected in the current quarter;
- Progress on the approvals and development of the Beebyn-W11 Iron Ore Mine with first production remaining on track for early 2025; and
- Substantial completion of the development of the Ruvidini Inland Port where operations are expected to commence post receipt of final approvals.

The Company finished the period with A\$72.0 million in cash, post deployment of A\$11.1 million in cash 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\$3.1 million, and payment of taxes and royalties during the period of a further A\$6.8 million, partially offset by net receipts from hedging of A\$2.2 million. The Fenix team remains focused on developing its pipeline of growth projects whilst continuing the strong mining performance at Iron Ridge, ramping up production from Shine and commencing production from Beebyn-W11. The team continues to evaluate a number of new opportunities aimed at growing the operational footprint across the mining, logistics and port services businesses.



Fenix's 100% owned Shine Iron Ore Mine – September 2024

MINING

Health & Safety

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

Iron Ridge – Mining & Production

During the September Quarter, Fenix continued its strong operational performance at its flagship Iron Ridge Iron Ore Mine. Fenix loaded six ships with a total of 345,950 wmt of iron ore from Iron Ridge (156,642 wmt of lump and 189,308 wmt of fines), including its 5 millionth tonne which sailed on 22 September 2024. To date, Fenix has shipped 5,008,592 wmt (4,724,465 dmt) of product from the Iron Ridge mine. Average grade shipped during the September Quarter was 64.1% Fe for lump product (previous quarter: 64.1%) and 63.2% Fe for fines (previous quarter: 63.3%), 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	Sept Q FY24	June Q FY24	Mar Q FY24
Ore Mined	k wmt	465.3	347.1	444.8
Lump Ore Produced	k wmt	163.9	162.8	150.3
Fine Ore Produced	k wmt	195.3	204.1	181.2
Lump Ore Hauled	k wmt	207.2	171.1	152.0
Fine Ore Hauled	k wmt	210.7	192.1	188.1
Lump Ore Shipped	k wmt	156.6	181.7	168.5
Fine Ore Shipped	k wmt	189.3	219.0	188.1
C1 Cash Cost (FOB)	A\$/wmt	78.8	79.7	77.6

Iron Ridge Performance at a Glance				
Item	Unit	Sept Q FY24	June Q FY24	Mar Q FY24
Lump product sales	k wmt	157	182	168
Fines product sales	k wmt	189	219	188
Total Ore Sales	k wmt	346	401	357
Platts 62% Fe CFR price avg	US\$/dmt	99.7	111.8	123.6
Average Realised CFR price	US\$/dmt	106.3	118.5	135.8
	A\$/dmt	158.7	179.7	206.4
Average Freight cost	US\$/dmt	(18.5)	(19.1)	(18.8)
	A\$/dmt	(27.6)	(29.0)	(28.6)
Average Realised FOB price	US\$/dmt	87.9	99.4	117.0
(pre-QP Adj. & hedging)	A\$/dmt	131.1	150.8	177.8

Iron Ridge – Operating Financial Performance

Iron Ridge unaudited C1 FOB Geraldton Cash Costs for the September Quarter were A\$78.8/wmt shipped, equivalent to ~US\$53/wmt. Inflationary cost pressures have been contained at Iron Ridge through continued strong control across the business, most notably increased mining volumes as Fenix progresses deeper into the stage 3 pit where the strip ratio improves.

Despite volatility in iron ore markets in the September Quarter, the CFR price received from sales of Iron Ridge ore averaged US\$106/dmt (Jun Q: US\$119/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\$100/dmt (Jun Q: US\$112/dmt) due to Fenix's premium-quality ore. Iron Ridge sea freight costs remained relatively flat during the quarter at US\$18.5/dmt (equivalent to ~A\$28/dmt).

The average Iron Ridge C1 operating margin, not including hedging and quotation period adjustments, for the September Quarter was A\$46/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.

Shine Iron Ore Mine – Mining & Production

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 (refer ASX announcement dated 4 July 2024). The mine was brought back into production with a modest capital spend of c.A\$7 million, with production commenced in late August 2024 and 35kt of high-grade ore mined during the quarter. The current mine plan assumes a build-up of high-grade mined ore before crushing commenced in late October, with haulage and shipment volumes to increase from initial levels once stockpile volumes enable a sustainable level of increased sales tonnages.

The first shipment of ore from Shine is planned for late October / early November 2024, comprising ore from existing low-grade stockpiles. As such, no C1 cost estimates are applicable for the quarter.

Beebyn-W11 Iron Ore Mine Feasibility Study

In late July 2024, Fenix announced that it had completed a feasibility study for the planned mine development at the Beebyn-W11 deposit (refer ASX announcement dated 25 July 2024). Key highlights from the feasibility study included:

- 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\$47.9m;
- Pre-tax NPV of A\$150.9m 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 with production targeted for early 2025.

Fenix continues to progress with development of Beebyn-W11. During the quarter, the mining application for Beebyn-W11 was submitted, with approval anticipated during the current quarter. Fenix completed a further heritage survey and entered into a contract to acquire the Beebyn Pastoral Station. The Beebyn Pastoral Station hosts the Beebyn-W11 iron ore deposit, a significant section of the proposed Beebyn-W11 haul road, and a number of other Weld Range regional iron ore deposits.

The capital budget and expected timelines for the development of Beebyn-W11 remain consistent with the completed feasibility study and previous announcements.

NEWHAUL ROAD LOGISTICS

Health & Safety

Newhaul Road Logistics (formerly Fenix-Newhaul) recorded no Lost Time Injuries across its operations during the September Quarter.

Haulage Performance

During the quarter, Newhaul Road Logistics hauled 417,865 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 commenced haulage from Shine on 26 September 2024, having hauled 7,746wmt of low-grade stockpiles to Fenix's Geraldton port facilities.

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 that concluded at the end of September.

Newhaul Road Logistics continued to expand its fleet during the quarter as part of the planned ramp up production at the Shine Iron Ore Mine, as well as planned developments at the Beebyn-W11 Iron Ore Mine, Ruvidini Inland Port and in anticipation of securing additional third-party haulage contracts.



Fenix's Newhaul Road Logistics quad road train at the Shine Iron Ore Mine – September 2024

Ruvidini Inland Port Terminal

Development at the Ruvidini Inland Port is substantially complete, with Government approvals now anticipated during early CY2025. Work at Ruvidini will be completed once Fenix has further visibility on the timing of receiving such approvals.

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 – September 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 no LTIs across its port operations during the September Quarter.

Shipping Performance

Newhaul Port Logistics shipped a total of 769,831 wmt of iron ore during the quarter via the Company's on-wharf storage facilities at Geraldton Port. This consisted of 345,950 wmt of product from Fenix's Iron Ridge mine and 423,881 wmt of product on behalf of third-party customers. In late August 2024, CuFe Limited announced that it has entered into a binding agreement to dispose of its iron ore rights in the JWD iron ore mine to Newcam Minerals Pty Ltd. Whilst the ownership transition occurs, CuFe and Newcam agreed to suspend operations at the JWD iron ore mine. As such, CuFe has not renewed its contract with Newhaul Port Logistics.

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 recently commenced production and haulage.



Fenix successfully shipped its 5 millionth tonne from Iron Ridge on the Mehmet Aksoy during September 2024

CORPORATE

Financial Results for FY24

On 29 August 2024, Fenix announced the Company's financial results for the year ended 30 June 2024 (FY24). Key financial highlights from the results included:

- Revenues of A\$259.2 million, comprising 1.46Mt of total ore sales generating A\$240.1 million (after hedging and QP adjustments) and A\$19.1 million from third party port services contracts;
- Earnings before Interest, Tax, Depreciation and Amortisation of A\$73.2 million; and
- A Net Profit after Tax of A\$33.6 million.

Refer to the ASX announcement dated 29 August 2024 for full details of the full year results for FY24.

Hedging and Quotation Period Adjustments

Fenix current hedges consist of swap contracts for 50,000 tonnes per month from September to December 2024 at a fixed price of A\$150 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.

Net positive receipts from the settlement of hedging swap contracts for June 2024, July 2024 and August 2024 totalled A\$2.2 million.

The hedging gains were offset by total negative quotation period adjustments of A\$3.1 million relating to the prior quarter's shipments.

Cash Flows and Position

Cash as at 30 September 2024 was A\$72.0 million (30 Jun 2024: A\$77.4 million). Cashflows during the quarter included the following material items:

- A\$6.8m paid in taxes and royalty payments;
- A\$3.1m paid in respect of quotation period adjustments arising from the prior quarter's shipments;
- A\$2.2m received in the settlement of hedging swap contracts;
- Shine working capital requirements; and
- Net capital expenditure of A\$11.1m to fund the Ruvadini Inland Port development, expansion of Newhaul Road Logistics' operations and capitalised Shine and Beebyn-W11 development costs.

These cash flows did not include net sales receipts of A\$6.3 million in respect of the last shipment in September as the funds for this shipment were received in early October 2024.

In accordance with ASX Listing Rule 5.3.5, \$1,154,234 in payments were made to related parties or their associates during the quarter, including Executive Director salaries and bonuses, Non-Executive Director fees and superannuation payments.

Business Development

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

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COMPETENT PERSON STATEMENTS

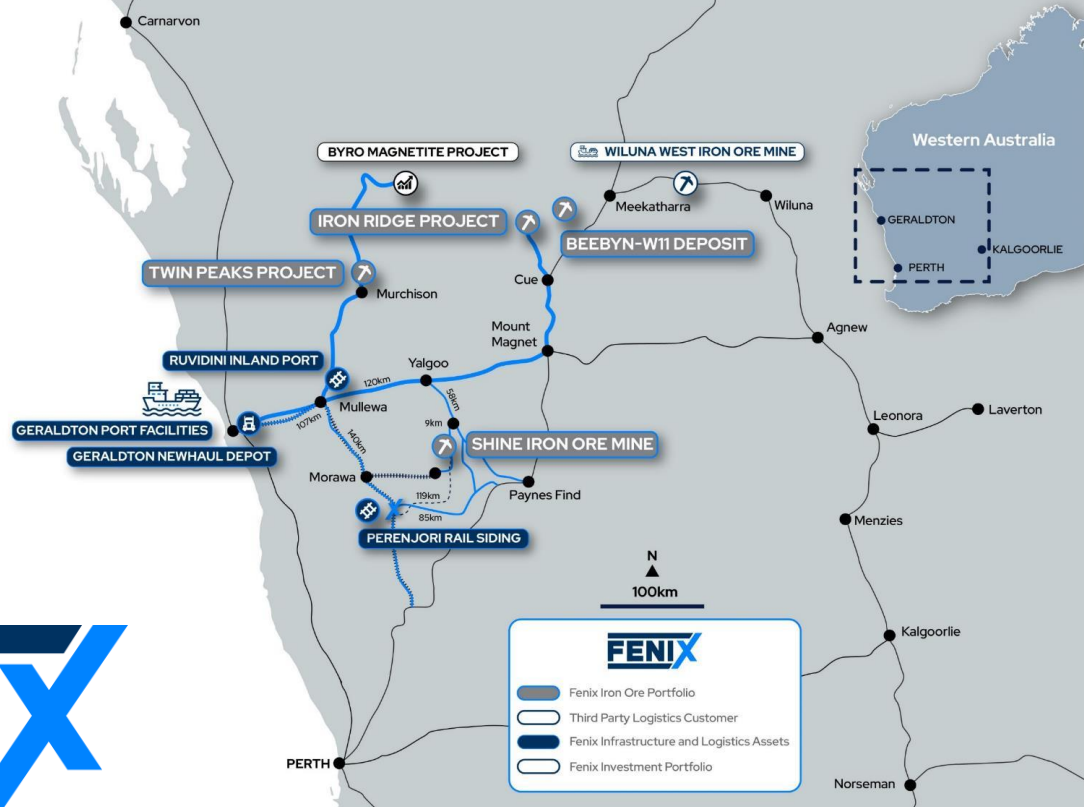
The information in this announcement relating to the Shine Mineral Resource is based on information compiled by Ms Elizabeth Haren, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. 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.

FORWARD-LOOKING STATEMENTS

This announcement may contain forward-looking statements, including statements regarding our intent, belief or current expectations with respect to Fenix Resources' businesses and operations, market conditions, rules of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. Fenix Resources does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unexpected events. Whilst due care has been used in the preparation of forecast results, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Fenix Resources' control.



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 (restarted in August 2024) and the Beebyn-W11 Project, due to be in production early 2025.

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 Traditional Custodians of the local lands 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.

Fenix acknowledges the Traditional Custodians of the local lands on which we live and work. We pay our respects to elders past, present and emerging.

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¹ Refer to 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, and announcement dated 25 July 2024 for the Beebyn-W11 production target.