

22 July 2021

Fenix hedges ~45% of planned production from October 2021 to September 2022 at A\$230/dmt CFR

West Australian high-grade iron ore producer, Fenix Resources Limited (Fenix or the Company) (ASX: FEX) is pleased to announce that it has entered into iron ore swap arrangements for 50,000 tonnes per month of the Monthly Average Platts TSI 62 Index converted to AUD for the 12-month period from October 2021 to September 2022. The price fixed is equivalent to A\$230.30 per dry metric tonne (dmt), flat over the period.

The swap arrangements were executed after the implementation of a Price Protection Policy designed to secure the medium-term future of the Iron Ridge project, whilst maintaining Fenix's exposure to the iron ore price.

Fenix Managing Director Rob Brierley said: "The iron ore swap arrangements were foreshadowed in our recently released quarterly activities report for the June 2021 period. We are effectively locking in ~45% of our planned production during a 12-month period commencing October 2021, at a fixed price that is sufficient to cover the majority, if not the entirety, of our budgeted cost base.

"These contracts will be cash settled at the end of each month and are unsecured, meaning that there are no margin calls or requirements to lodge cash at call or on deposit.

"We look forward to finalising our Capital Allocation Policy leading up to the release of our FY21 financial results, confident that we have secured profitability until at least Q4CY22, by which time the mine plan predicts the production of even higher specification iron ore that should result in higher market premiums".

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

Rob Brierley
Managing Director
Fenix Resources Limited

About Fenix Resources

Fenix Resources is an ASX-listed, WA-based iron ore miner.

The Company's 100% owned, flagship Iron Ridge Iron Ore Project is a premium DSO deposit which hosts a JORC 2012 compliant resource located around 486km by road from Geraldton port. Production commenced in December 2020 and first sales were generated in February 2021.

High grade iron ore attracts a premium price on the seaborne market as Chinese steel works increasingly demand more pure inputs with lower emissions due to increasingly strict government regulations.

Only requiring crushing and screening, approximately 1.25 million tonnes of ore per annum is trucked to the port by a JV company, Fenix Newhaul Pty Ltd.

Export capacity has been secured through binding agreements with the Mid West Ports Authority for the use of its Geraldton Port facilities. Product sales are conducted 50% through an offtake arrangement with Sinosteel International Holding Company Limited and 50% through an exclusive marketing agreement with Atlas Iron Pty Ltd.

The project has generated some 160 full time equivalent jobs and the Company is focussed on promoting opportunities for local businesses and the community.

The Project's Mineral Resource, announced on 21 August 2019, is categorised into Indicated and Inferred Mineral Resources as shown in Table A.

Classification	Tonnes Mt	Fe %	Al ₂ O ₃	LOI %	P %	SiO ₂ %	TiO ₂ %
Indicated	10.0	64.3	2.56	1.90	0.046	3.21	0.09
Inferred	0.5	62.5	2.80	3.13	0.046	4.41	0.12
Total	10.5	64.2	2.57	1.96	0.046	3.26	0.09

Table A: Iron Ridge Mineral Resource Estimate reported above a 58% Fe cut-off grade.

The Project's Ore Reserves are categorised in Table B below, as announced on 4 November 2019 titled "Feasibility Study Generates Outstanding Cashflow".

Classification	Tonnes Mt	Fe %	Al ₂ O ₃	LOI %	P %	SiO ₂ %	TiO ₂ %
Probable	7.76	63.9	2.79	2.00	0.05	3.46	0.09
Total Ore Reserves	7.76	63.9	2.79	2.00	0.05	3.46	0.09

Table B: Iron Ridge Ore Reserves

Competent Person Statements

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Wishaw, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a former employee of CSA Global Pty Ltd. Mr Wishaw has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The information in this report that relates to the Processing and Metallurgy for the Iron Ridge Project is based on and fairly represents, information and supporting documentation compiled by Mr Damian Connelly who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full time employee of METS Engineering Group. Mr Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 relevant market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The information in this report that relates to Ore Reserves is based on information compiled by Mr John Battista, a Competent Person who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and is currently employed by Mining Plus (UK) Ltd. Mr Battista has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In relation to the production target and forecast financial information referred to in the report, the Company confirms that all material assumptions underpinning the production target and the forecast financial information derived from the production target continue to apply and have not materially changed since the announcement of the feasibility study on 4 November 2019.