

FENIX ACHIEVES TWO MILLION TONNE PRODUCTION MILESTONE

HIGHLIGHTS

- Significant milestone achieved of two million dry metric tonnes of high-grade iron ore sales from Fenix's Iron Ridge Iron Ore Mine in WA's Mid-West
- Net operating margin (excluding hedging gains) has averaged ~A\$56 per tonne for the two million tonnes produced from Iron Ridge since February 2021
- Class C Performance Shares convert to ordinary shares upon verification of the achievement of the two million dry metric tonne production milestone
- Profitable iron ore production and sales are continuing at steady state 1.3 million tonnes per annum with strong operating margins and valuable hedge position
- Fenix continues to explore opportunities to build on the Company's existing mining and logistics platform, with the ambition of delivering growth and additional value for shareholders

Fenix Resources Limited (ASX: FEX) (Fenix or the Company), a highly profitable fully-integrated mining, logistics and haulage business, is pleased to announce that the Company has achieved a significant milestone of producing and selling two million dry metric tonnes of iron ore from its flagship Iron Ridge Iron Ore Project, located in the mid-west region of Western Australia. The two millionth tonne was shipped in mid-September from Fenix's facilities at the Geraldton port, with the cumulative milestone of shipped iron ore production now fully verified.

The unaudited net operating margin for the first two million dry metric tonnes of iron ore produced and sold from Iron Ridge has been calculated as approximately A\$56 per dry metric tonne shipped (unaudited cashflow operating margin before accounting for hedging gains). This important milestone was achieved nineteen months after the first sale of Iron Ridge product in February 2021.

Chairman of Fenix, Mr John Welborn, congratulated the entire Fenix team on the achievement of the significant milestone:

"The production and sale of two million tonnes of high-quality iron ore products from Iron Ridge is an outstanding achievement. In less than two years Fenix has established a highly profitable business in the Mid-West which has created more than 200 new jobs and generated more than \$100 million in cumulative net profits after tax. I commend the entire Fenix team of committed staff and contractors who have worked hard to mine, haul, and ship the 2 million tonnes.

"Fenix is maintaining consistent operating production at a run rate of approximately 1.3 million tonnes of iron ore per annum and is working to deliver C1 FOB Cash Costs below US\$60 per tonne. We have a strong hedge position out to June 2023 and are well placed to continue the

Company's excellent production and sales performance and, importantly, deliver outstanding returns for shareholders."

Achievement of milestone for conversion of Class C Performance Shares

Fenix acquired a 100% interest in the high-grade Iron Ridge Iron Ore Project in May 2018 for share-based consideration of 25 million ordinary shares plus 112.5 million Performance Shares. The Performance Shares were issued to the project vendors in four classes: 15 million Class A Performance Shares; 30 million Class B Performance Shares; 37.5 million Class C Performance Shares; and 30 million Class D Performance Shares. These Performance Shares vest into ordinary shares upon the achievement of specific performance hurdles relating to mineral resources and profitable production milestones (see ASX Announcement dated 7 May 2018).

The achievement of two million dry metric tonnes of shipped iron ore production from Iron Ridge, and the validation that this has been achieved with a net operating margin in excess of US\$15 per dry metric tonne (the unaudited margin of ~A\$56/t corresponds to ~US\$41/t), triggers the conversion of the 37.5 million Class C Performance Shares to ordinary shares in Fenix.

Following the conversion, the only remaining outstanding vendor Performance Shares are the 30 million Class D Performance Shares which will convert upon achieving a cumulative total of 3 million dry metric tonnes of shipped iron ore at a net operating margin of greater than US\$15 per dry metric tonne.

Fenix continues to advance exciting growth opportunities to build on the existing Fenix platform and expand the Company's business and operations. Fenix is exceptionally well placed to progress new opportunities with a strong balance sheet, stable operations, positive ongoing cashflows, and a commitment to deliver value to shareholders.

Authorised by the Board of Fenix Resources Limited.

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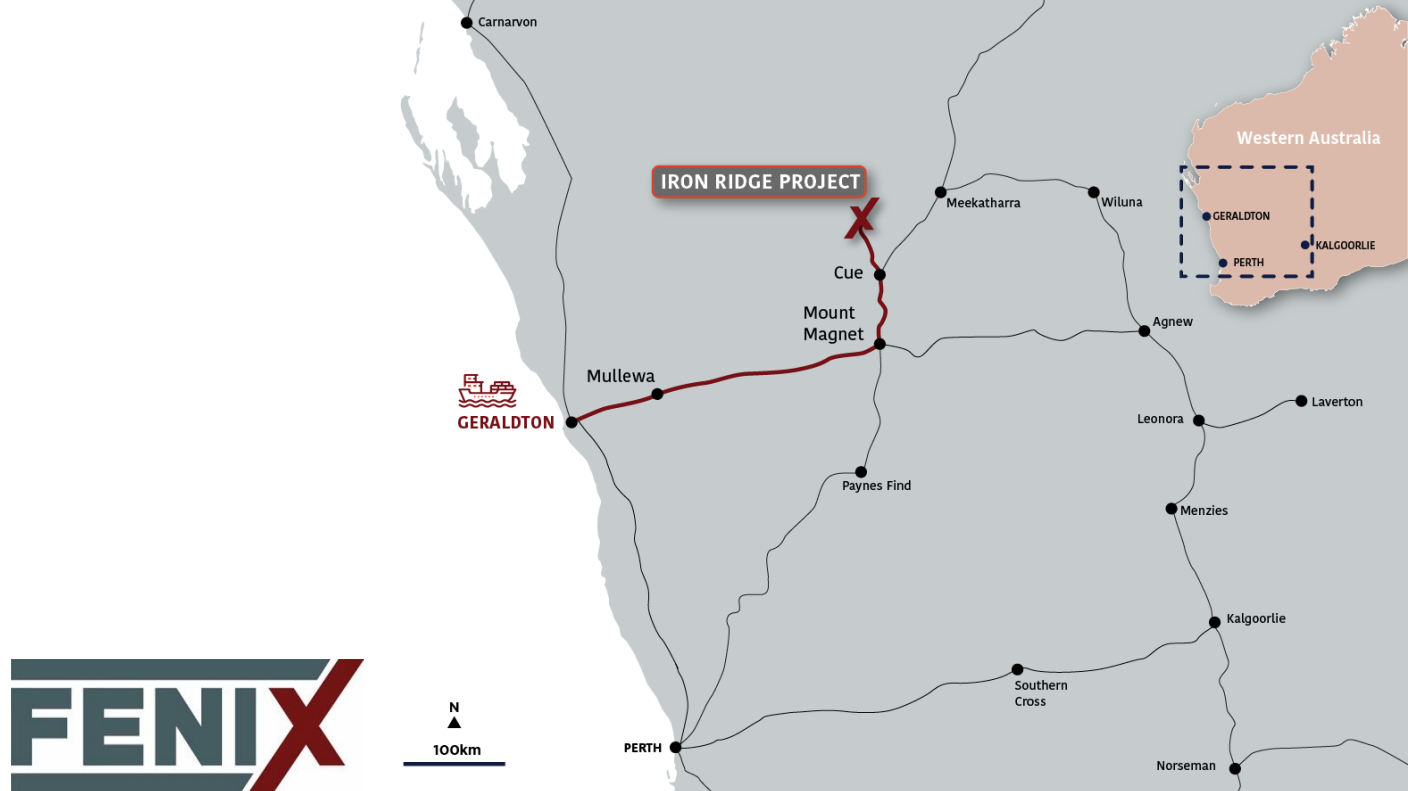
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Fenix Resources (ASX: FEX) is a high grade, high margin iron ore producer located in the prolific mid-west mining region of Western Australia.

The Company's 100% owned, flagship Iron Ridge Iron Ore Project is a premium DSO deposit that hosts a high grade, JORC 2012 compliant resource of 8.3 Mt @ 64.8% Fe (as announced on 29 August 2022), which represents some of the highest grade iron ore in Western Australia. Production commenced in December 2020 following a rapid three-month development period, and first sales were generated in February 2021, shipped from the Company's port facility at Geraldton. Approximately 1.8 million tonnes of premium ore have been exported to date, generating solid cash flow.

High grade iron ore attracts a premium price on the seaborne market, as a purer product result in lower emissions. Chinese steelworks are demanding high grade ore to meet increasingly strict government regulations.

The Company is led by a proven team with deep mining experience and benefits from strategic alliances and agreements, including a JV with Fenix Newhaul Pty Ltd for haulage which is in the process of being consolidated, binding agreements with the Mid West Ports Authority for the use of its Geraldton Port facilities, a 50% off-take arrangement with Sinosteel International Holding Company Limited and an exclusive marketing agreement with Atlas Iron Pty Ltd for the remaining 50% of product sales.

The Company is focused on promoting opportunities for local businesses and the community; to date, the project has generated some 180 local jobs. Fenix is proud to employ a 40% indigenous workforce and be in partnership with the Schwarze Brothers and other leading service providers.

Competent Person Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Whishaw, 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 Whishaw 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 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.