

ASX ANNOUNCEMENT



29 August 2023

FY23 FULL YEAR RESULTS

\$29.3 MILLION PROFIT AFTER TAX

**GAME-CHANGING ACQUISITIONS OF FENIX-NEWHAUL AND
MOUNT GIBSON'S MID-WEST ASSETS**

2 CENTS PER SHARE FULLY FRANKED DIVIDEND DECLARED

HIGHLIGHTS

- Total Iron Ore Sales of 1.36 million wet metric tonnes (wmt) (FY22: 1.34 million wmt)
- Average Iron Ore price received of US\$113 per dry metric tonne (dmt) (FY22: US\$141/dmt), equivalent to \$167/dmt (FY22: \$194/dmt)
- Total sales revenue of \$196.8 million (FY22: \$249.2 million)
- **C1 Cash Costs decreased by 8% to \$81.51/wmt** FOB Geraldton (FY22: \$88.83/wmt) equivalent to US\$54/wmt (FY22: US\$62/wmt)
- Shipping costs of US\$21/dmt (FY22: US\$32/dmt), equivalent to \$31/dmt (FY22: \$44/dmt).
- Net C1 operating margin of \$49/dmt (FY22: \$57/dmt)
- **Net profit after tax of \$29.3 million**
- **Cash as at 30 June 2023 of \$76.3 million** (FY22: \$101.7 million).
- Fenix completed the acquisition and integration of the Fenix-Newhaul logistics business
- Fenix acquired Mount Gibson's Mid-West iron ore, rail and port assets, expanding the Company's existing business to maximise long-term value for shareholders.
- Hedge book extended out to December 2023 with 50,000 tonnes per month hedged at a fixed price of \$170.10/t
- **Final fully franked dividend declared of 2.0 cents per share**
- Iron Ridge Mineral Resources as at 30 June 2023 total 6.6Mt at 65.1% Fe inclusive of Ore Reserves
- Fenix will host a live investor briefing on Tuesday, 29 August 2023, at 9:00am AWST / 11:00am AEST. Register here: <https://bit.ly/44r5o3f>

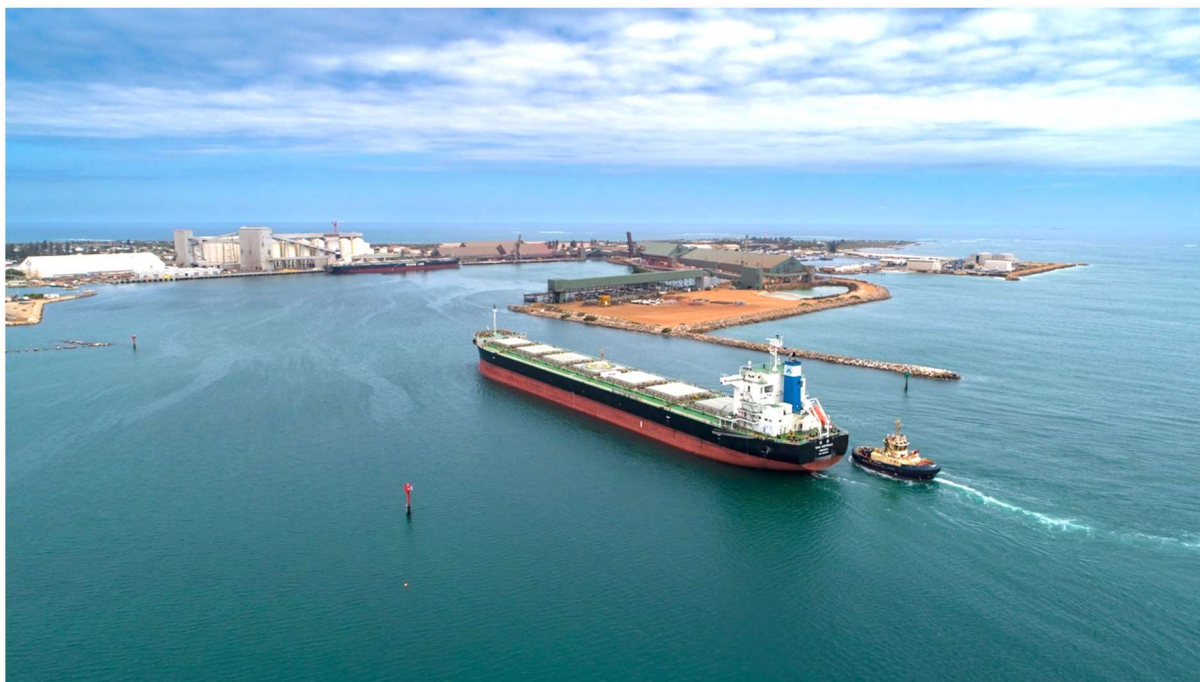
"Fenix has continued to deliver strong operational and financial performance. Following the game-changing Fenix-Newhaul and Mount Gibson transactions, Fenix is well placed to generate further outstanding returns for shareholders." – Chairman John Welborn

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Fenix Resources Limited (ASX: FEX) (Fenix or the Company) is pleased to announce the Company's financial results for the year ended 30 June 2023 (**FY23**).

Fenix produced and sold 1.36 million tonnes of iron ore in FY23 generating annual sales revenue of A\$196.8 million and delivering a net profit after tax of A\$29.3 million.

The Company has declared a final fully franked dividend of 2.0 cents per share for FY23.



Fenix has now shipped more than 3 million tonnes of high quality iron ore from the Iron Ridge Mine using Company-owned facilities at Geraldton Port

Fenix Chairman John Welborn commented:

"These strong financial results are the result of discipline and operational commitment across the mining, haulage, port and corporate activities of Fenix. I congratulate the Fenix team and all our hard-working staff, contractors and partners on another excellent performance. A Net Profit after Tax of \$29.3 million has allowed us to allocate \$13.9 million to reward shareholders by declaring a 2 cent fully franked final dividend.

We ended the year with \$76 million in cash which allows us to pay a healthy shareholder dividend as well as preserving a strong balance sheet to fund future growth.

This is a very exciting period for Fenix and represents the transition of the Company from an emerging junior producer to a major mining and logistics business in WA's Mid-West. During the year we successfully advanced two game changing transactions: The acquisition and integration of Fenix-Newhaul and the acquisition of Mount Gibson's Mid-West iron ore, rail and port assets. These acquisitions provide immediate value for shareholders by supporting our Iron Ridge operations with greater efficiency and lower costs.

More importantly, Fenix's expanded asset base and capabilities provide an opportunity to extend and expand our mining production beyond Iron Ridge as well as generate additional future value from the provision of logistics services to a vast array of Mid-West projects based on our high quality haulage, rail and port capabilities.

We remain strongly committed to Fenix's values and business strategy and dedicated to maximising value for shareholders."

OPERATING AND FINANCIAL PERFORMANCE

Fenix shipped 1.36 million wmt of high-quality iron ore from Fenix's 100% owned Iron Ridge Mine, consisting of approximately 546,000 wmt of lump iron ore at an average grade of 64.4% Fe and 798,000 wmt of fines at an average grade of 62.7% Fe. The unique high-grade, high-quality iron ore from Iron Ridge continues to attract strong demand from a broad range of international customers.

Total sales revenue for FY23 was \$196.8 million which, despite the slight increase in production, was down from the \$249.2 million received in FY22 as a direct result of a 14% decline in the average AUD iron ore price received. In FY23, Fenix received an average Iron Ore price of US\$113 per dmt (equivalent to \$167/dmt) compared to the average iron ore price received of US\$141 per dmt in FY22 (equivalent to \$194/dmt).

Facing challenging iron ore price conditions during the year, Fenix implemented a range of strategies to reduce costs and protect operating margins while maintaining steady state production from the Iron Ridge Mine. The significant decrease in controllable operating costs is a remarkable achievement by the Fenix team given the material cost inflation experienced by the West Australian mining industry during the period.

C1 Cash Costs FOB Geraldton for FY23 reduced to \$81.51 per wmt (equivalent to US\$55/wmt) an 8% saving compared to the FY22 C1 Cash Costs of \$88.83 per wmt (equivalent to US\$64/wmt). The reduction in Fenix's C1 FOB Cash Costs was made possible by the consolidation of the ownership of the Fenix-Newhaul Joint Venture and the resulting savings of more than A\$10 per wmt. Fenix benefited from reduced shipping costs which averaged US\$21/dmt in FY23 (equivalent to \$31/dmt) compared to the average of US\$32/dmt in FY22 (equivalent to \$44/dmt).

As a result of disciplined cost control and strong operational management, the Net C1 operating margin for FY23, excluding hedge and quotation period adjustments, was \$49 per dmt. Fenix has now shipped more than 3 million tonnes of high quality iron ore from the Iron Ridge Mine at an average operating margin, excluding hedge and quotation period adjustments, of more than \$50 per dmt demonstrating the Company's ability to consistently generate positive cashflows in volatile iron ore markets.

Fenix continued to benefit from the Company's active hedging program which provided support to the Company's operating margins during periods of depressed iron ore prices.

Based on the consistent production performance and the maintenance of strong operating margins, Fenix's Net Profit after Tax for FY23 was \$29.3 million.

As at 30 June 2023, Fenix had A\$76.3m cash on hand.

Final Dividend Declared for FY23

Fenix's dividend policy provides that "Fenix will consider the declaration of a dividend on an annual basis based on the full financial year profitability of the Company and with regard to the future funding requirements of the business and the availability of franking credits."

In accordance with this policy, the Company has declared a final dividend for FY23 of 2.0 cents per share equating to a total dividend payment of approximately A\$13.9 million. The total dividend payment amount represents approximately 47% of the FY23 Net Profit after Tax.

The dividend record date is 4 September 2023 and the dividend payment date is expected to be 15 September 2023.

The Board believes that the declared final dividend appropriately balances the Company's commitment to reward shareholders by the payment of an annual dividend linked to profitability, with the ambition to generate long-term growth in the Fenix share price by having funding available to invest in the Company's exciting growth opportunities.

Strong Hedging Position for FY24

Fenix has iron ore swap arrangements in place for 50,000 dmt per month to December 2023 at a price equivalent to A\$170.10/dmt.

Annual Report and Mineral Resource and Ore Reserves Statement

Full details of Fenix's full year financial results for FY23, and the Company's Annual Mineral Resource and Ore Reserve Statement, are contained in the Company's Annual Report released to the ASX today and available on the Company's website.

FY23 Full Year Financial Results Investor Briefing

Fenix will host a live investor briefing this morning, Tuesday, 29 August 2023, at 9:00am AWST / 11:00am AEST.

Register here: <https://bit.ly/44r5o3f>

The investor briefing will be made available on the Company's website.

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

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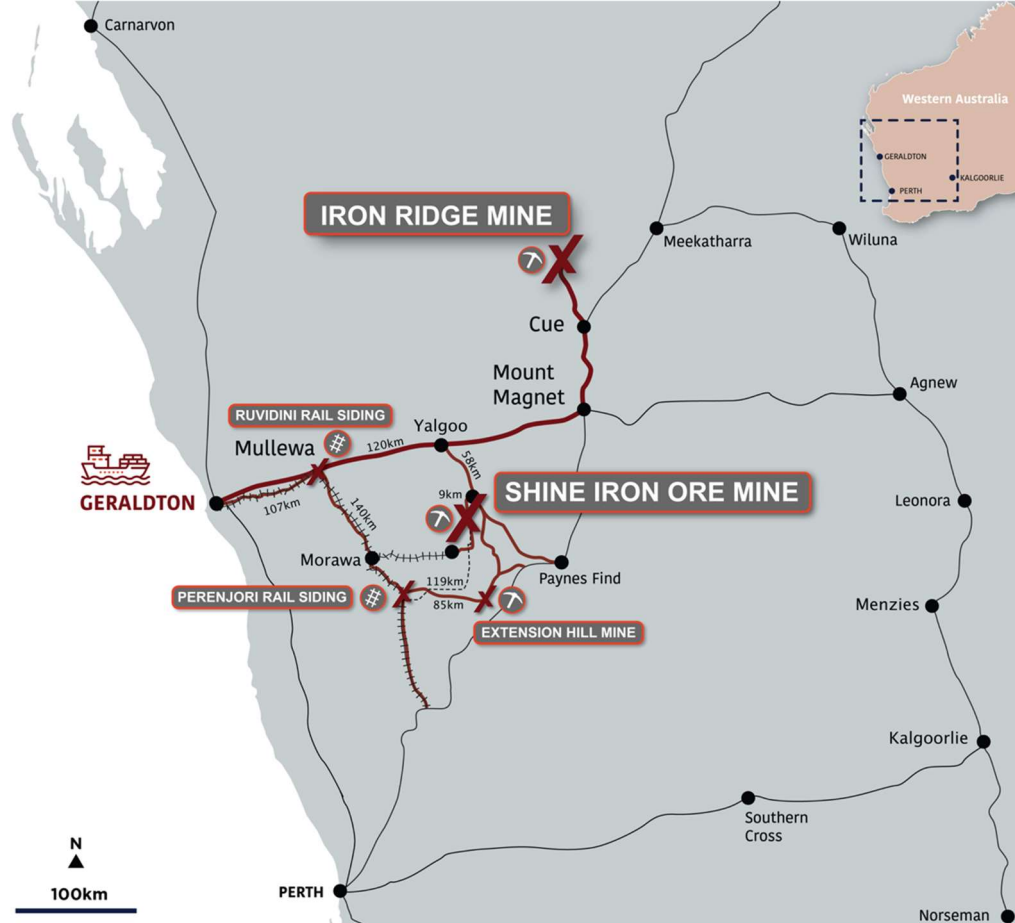
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Fenix Resources (ASX: FEX) is a high grade, high margin iron ore producer with assets in the Mid-West mining region of Western Australia.

The Company's 100% owned Iron Ridge Iron Ore Mine is a premium direct shipping ore deposit 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. Fenix has produced and exported more than 3 million tonnes of premium iron ore, generating excellent cash flow and profitability since commencement of production.

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. The Company operates its own loading and storage facilities at the Geraldton Port with storage capacity of up to 400,000 tonnes and loading capacity of more than 5Mt per annum.

The acquisition of Mount Gibson Iron Limited's Mid-West iron ore, port and rail assets in July 2023 significantly expands Fenix's Mid-West asset base and provides an excellent foundation for future growth. The assets acquired include the Shine Iron Ore Mine currently on care and maintenance located 230km east of Geraldton, two on-wharf bulk material storage sheds at Geraldton Port, two rail sidings at Ruvidini and Perenjori, and remaining mining assets and obligations at Extension Hill Iron Ore Mine.

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 Yamatji people who are the Traditional Custodians of the land on which the Iron Ridge Iron Ore Mine is located.

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 contract service providers including MACA Ltd, Alpha 1 WA Pty Ltd, Champion Bay Electrical Ltd, the Schwarze Brothers Pty Ltd and other leading local and national service providers.

Competent Person Statement

The information in this announcement that relates to the Iron Ridge 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 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 original market announcement on 21 August 2019 and the Company's Annual Reports on 29 August 2022 and 29 August 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 Mineral Resource comprises 6.3Mt Inferred and 0.3Mt Indicated.