



5 September 2019

ASX Announcement

IRON RIDGE PROJECT FEASIBILITY STUDY UPDATE

1.25Mtpa planned production rate

Summary

- **Feasibility Study on Iron Ridge remains on track for delivery in October 2019**
 - **Fenix has conducted detailed mine scheduling analysis and has derived an optimum mining, processing and road haulage rate of 1.25Mtpa for the Iron Ridge operation, a 25% increase over its previously stated aspirational annual output**
 - **Updated Mineral Resource Estimate is currently being incorporated into a revised mine schedule with positive impact on mineral inventory expected**
 - **Key infrastructure and offtake discussions are proceeding well**
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Fenix Resources Limited (ASX: FEX, “**Fenix**” or the “**Company**”) is pleased to provide an update on the progress of the pending Feasibility Study on the Company’s 100% owned Iron Ridge DSO hematite project (“**Project**”) in Western Australia.

The Iron Ridge Iron Ore Project is a premium DSO deposit which hosts a JORC 2012 compliant resource located around 490km by road from Geraldton port, with all but the last 2km on public roads that are predominantly bitumised.

The Feasibility Study, which is being conducted internally using reputable and highly experienced consultants, is on track for delivery in October 2019. Documents have been issued to a select group of mining contracting companies capable of delivering all the necessary services to deliver crushed and screened fines and lump products ready for hauling to the port of Geraldton, for a firm quotation on costs for whole-of-mine services. Proposals are currently being assessed and these prices, together with the soon to be finalised road transport contract, will be the major items in determining the cost structure of the operation and the initial capital expenditure requirements.

Processing & Production Rate

Fenix has confirmed that its optimum mining, processing and road haulage rate will be 1.25Mtpa after conducting several productivity studies.

Only requiring crushing and screening, the Project ore is proposed to be trucked to the port by a Joint Venture with trucking specialist Newhaul Pty Ltd (renamed from Minehaul Pty Ltd) (“**Newhaul**”), which is headed by respected logistics expert Craig Mitchell (the founder and owner of Mitchell Corporation, which was sold to Toll Group in 2011).

The 1.25Mtpa planned production rate has been incorporated into the road transport model which has been tailored for the Iron Ridge Project by Newhaul.

Fenix and the Newhaul JV (50% owned by Fenix) are advancing toward a full commercial contract for this key component of the Project.

Mining Costs Being Assessed

Pit planning, metallurgical work and mining and environmental approvals are currently being undertaken.

Request for Proposal (“RFP”) documents were issued to selected mining services companies and a site visit was conducted in early August. This RFP included a detailed mine design and mine schedule. It relates to the whole-of-mine services, from proposed pit to dual product stockpile of iron ore fines and lump at the mine.

Proposals were received from four proponents and the Company is analysing the data and intends to engage with a preferred services provider in the next few weeks.

Updated Mineral Resource Impacts Positively

An updated Mineral Resource Estimate delivered on 21 August 2019 resulted in a 51% increase in Indicated Mineral Resources to 10.0Mt at 64.3% Fe, 2.6% Al₂O₃, 3.2% SiO₂ and 0.046% P. The total Resource increased by 14% to 10.5Mt at 64.2% Fe, meaning that >95% of the Resource is in the Indicated category. This should result in the declaration of a maiden Ore Reserve at Iron Ridge, contingent on a successful outcome to the Feasibility Study.

Geotechnical and hydrological studies are well advanced and reports are due in the next few weeks.

Port, Licencing & Approvals

Negotiations are well advanced with Mid-West Port Authority at Geraldton (“**Geraldton Port**”) where export capacity is available. Discussions are continuing with the Geraldton Port on securing a commercial arrangement for the storage, handling and ship loading of iron ore products.

Offtake Arrangements

Discussions are advancing with potential offtake and financing partners. Subject to ongoing review and the determination by the Board that it is in the best interest of shareholders, Fenix has established a strategy to leverage the offtake of its planned high-grade iron ore products to obtain a financing solution for initial project capital expenditure and product inventory build.

Managing Director Comment

Fenix’s Managing Director, Robert Brierley, commented:

“We are pleased with the smooth progress of the recently concluded phase of exploration and the increased emphasis on project development. The excellent orebody at the Project continues to provide a strong foundation for a mine. We look forward to demonstrating this in the upcoming Feasibility Study.”

On Behalf of Fenix Resources Limited:



Robert Brierley
Managing Director
Fenix Resources Limited

About Fenix Resources

Fenix Resources is a WA-based minerals explorer transitioning to 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 490 km by road from Geraldton port.

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 increasing strict government regulations.

Only requiring crushing and screening, the ore is proposed to be trucked to the port by a JV signed off on 7 May 2019, with trucking specialist Newhaul Pty Ltd headed by respected logistics expert Craig Mitchell who was the founder and owner of Mitchell Corp before selling to Toll Group.

Negotiations are well advanced with Mid-West Ports Authority at Geraldton where export capacity is available.

Pit planning, metallurgical work and mining and environmental approvals are currently being undertaken.

The Project's Mineral Resource, delineated on 20 August 2019, is categorised into Indicated and Inferred Mineral Resources as shown in Table 1.

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

Competent Persons Statement

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 employee by 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). Mr Wishaw consents to the disclosure of information in this report in the form and context in which it appears.