

FENIX BOOSTS PRODUCTION WITH 500,000 TONNE ORE PURCHASE AGREEMENT

HIGHLIGHTS

- Binding Ore Purchase Agreement signed with local iron ore producer 10M Pty Ltd for the purchase of 500 thousand tonnes of high-grade hematite iron ore from the Twin Peaks Direct Shipping Iron Ore Project in the Murchison region of Western Australia's Mid West.
- 10M will supply 500,000 tonnes of +60% Fe Direct Shipping Ore from the Woolbung Peak deposit, which forms part of the Twin Peaks Direct Shipping Iron Ore Project, for a fixed mine gate payment plus a profit share payment upon sale.
- Fenix will be responsible for haulage, storage, port services, ship loading, marketing and sales utilising the Company's expanded port capacity and logistics capabilities.
- Provides an immediate boost to Fenix's iron ore production and revenues with first shipment of iron ore from Woolbung Peak expected in early 2024.
- The Ore Purchase Agreement represents a partnership between Fenix and 10M which uses Fenix's unique fully integrated haulage and port logistics capabilities to unlock value from an otherwise stranded Mid West iron ore asset.

Fenix Resources Limited (ASX:FEX) (Fenix or the Company) is pleased to announce execution of definitive documents with 10M Pty Ltd (**10M**) for the exclusive right to purchase and export up to 500,000 tonnes of Direct Shipping Ore (**DSO**) from the high-grade Twin Peaks Direct Shipping Iron Ore Project (**Twin Peaks**) within a 24-month period (the **Ore Purchase Agreement**).

Commenting on the Ore Purchase Agreement, Mr John Welborn, Chairman of Fenix, said:

"We're delighted to be unlocking value from another high-grade iron ore deposit in the Mid-West and to be embarking on a partnership with 10M, a local Western Australian iron ore producer, where we can provide unparalleled logistics and marketing support.

The consolidation of the Fenix Newhaul business, and the acquisition of our expanded Mid-West rail and port assets, provides Fenix an exciting platform for growth for our own deposits, and from the many projects in the region seeking to advance to production. The 10M ore purchase agreement is an immediate boost to our export tonnages while we work to bring the Shine Iron Ore Mine and the Beebyn-W11 deposit into production alongside our flagship Iron Ridge Iron Ore Mine.

Fenix's transformation into a fully integrated mining, haulage, rail and logistics business is progressing, with our ambition to build a major regional iron ore producer and a profitable third party logistics provider."

The material terms of the Ore Purchase Agreement include:

- Fenix to supply an upfront pre-payment of \$5 million in cash to 10M, treated as a secured loan which accrues 10% interest per annum following an initial six-month interest-free period. The loan will be repaid to Fenix at a rate of approximately A\$1 million per shipment of ore sold;

- 10M to transfer title and ownership of the ore upon collection by Fenix at the mine gate for consideration of a fixed mine gate fee, with a further, variable profit share payment to be made by Fenix upon receipt of final payment for each shipment of 10M product;
- 10M to retain responsibility for all mining and processing activities up until the ore is loaded onto Fenix-Newhaul trucks from the mine site stockpile and 10M to also maintain any Infrastructure located on the Tenements to enable site access; and
- Fenix to be responsible for all haulage, port logistics, and marketing activities upon transfer of ore.

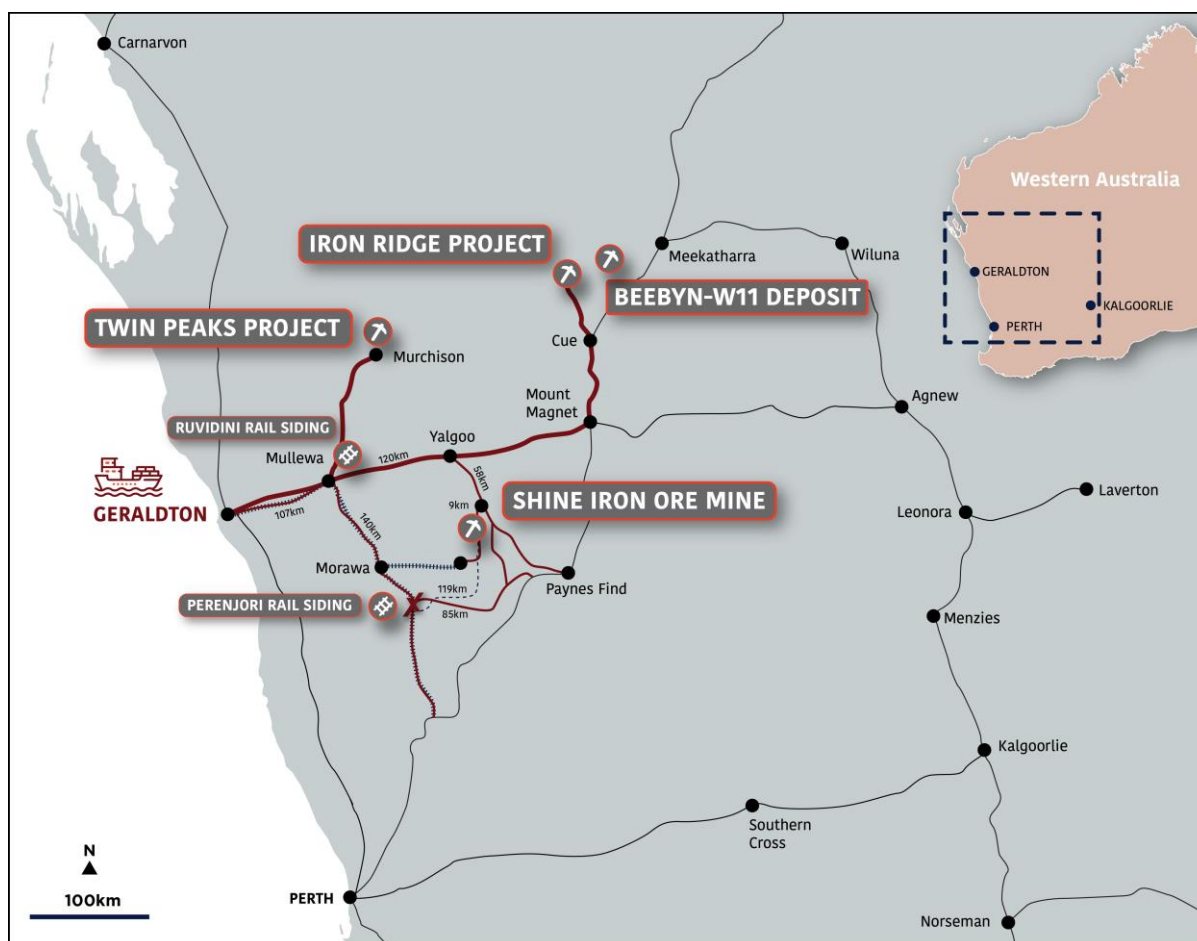


Image 1: Fenix's assets in Western Australia's Mid-West region

ABOUT 10M PTY LTD

10M Pty Ltd is a locally owned iron ore enterprise with tenements in the Mid West Murchison region of Western Australia. 10M's flagship project is the 100% owned Twin Peaks Iron Ore Project located 200km north-east of Geraldton. The Ore Purchase Agreement will transition 10M from explorer to producer, with first shipment expected in early 2024.

Mr Phil Robinson, Managing Director of 10M, was delighted to secure Fenix's support:

"10M is committed to environmentally responsible conventional mining methods, and to working closely with Traditional Owners, pastoralists, State Government departments, regulatory governing bodies and all stakeholders to achieve safe, sustainable and culturally appropriate mining outcomes."

Given Fenix's success as a highly profitable Mid-West iron ore miner, and their unparalleled Mid-West infrastructure and logistics capabilities, they represent a logical and ideal partner for 10M in monetising our project."

ABOUT THE TWIN PEAKS IRON ORE PROJECT

The Twin Peaks Direct Shipping Iron Ore Project is located approximately 200km northeast of Geraldton, within the Yalgoo Mineral Field, in the greater Murchison district of Western Australia. The project area includes a defined Mineral Resource Estimate (MRE) at the Woolbung Peak hematite iron ore deposit.

The Twin Peaks project area is covered by Exploration Licence 59/2408, while the Woolbung Peak deposit is covered by Mining Lease 59/768, located within the boundaries of E59/2408. 10M Pty Ltd purchased both E59/2408 and M59/768 from the previous holder (Element 25 Ltd) with the transfers being finalised in February 2022.

TRANSACTION DETAILS & TERMS

The Ore Purchase Agreement grants Fenix the right to purchase, and 10M the right to sell, 500,000 tonnes of high grade ore from Twin Peaks. The terms of the agreement include:

Cash Pre-Payment Loan of A\$5 million (equivalent to \$10 per tonne)

An up-front cash pre-payment of A\$5 million, paid by Fenix upon execution of binding documents, treated as an interest-bearing secured loan (following a 6 month interest free period) to be repaid in instalments approximately equivalent to A\$1 million per 50,000 tonne shipment of ore from Twin Peaks.

Mine Gate Payment:

A fixed payment of A\$40 per wet metric tonne of Direct Shipping Ore purchased and collected from Twin Peaks by Fenix, intended to cover mining and extraction costs. Mine Gate Payments are payable in cash by Fenix to 10M.

Haulage and Port Costs:

A fixed amount of \$60 per wet metric tonne of Direct Shipping Ore will be retained by Fenix to cover the expenses of haulage, port logistics, and marketing provided by Fenix.

Profit Share Payment:

The Profit Share Payment payable to 10M equates to 70% of notional profit, calculated by reference to the revenue obtained for the product, less any actual discounts attributable to product quality including discounts relating to Fe grades, moisture adjustments, or product impurities, less costs in paying State and third party royalties, Fenix's haulage and port costs and the Mine Gate Payment.

Loan Repayment:

Prior to paying the Profit Share Payment, a portion of 10M's share of the profit will be retained by Fenix and applied to repaying the outstanding Pre-payment Loan amount, up to a maximum of A\$1 million per shipment sold by Fenix (until the outstanding balance of the \$5 million pre-payment is fully repaid).

Project development:

10M will be responsible for all project development (including obtaining all required approvals), and mining operations, while Fenix will be responsible for transportation of DSO product to Geraldton Port and marketing and sales of product.

Marketing and Offtake:

Fenix will be solely responsible for marketing and sales of all ore produced through the Ore Purchase Agreement, through offtake or other sales arrangements.

Consequences of non-delivery:

Upon early termination, 10M will be required to repay the Prepayment Loan Balance and any interest accrued, in full.

Fenix's Return on Investment:

In addition to any interest earned on the Pre-Payment Loan, Fenix will retain any margin generated from the \$60 per wet metric tonne Haulage and Port Cost allocation as well as 30% of the notional profit as per the Profit Share Payment.

Advisors

Poynton Stavrianou acted as financial advisor and Hamilton Locke acted as legal counsel to Fenix in relation to the Ore Purchase Agreement.

Authorised by the Board of Fenix Resources Limited. For further information, contact:

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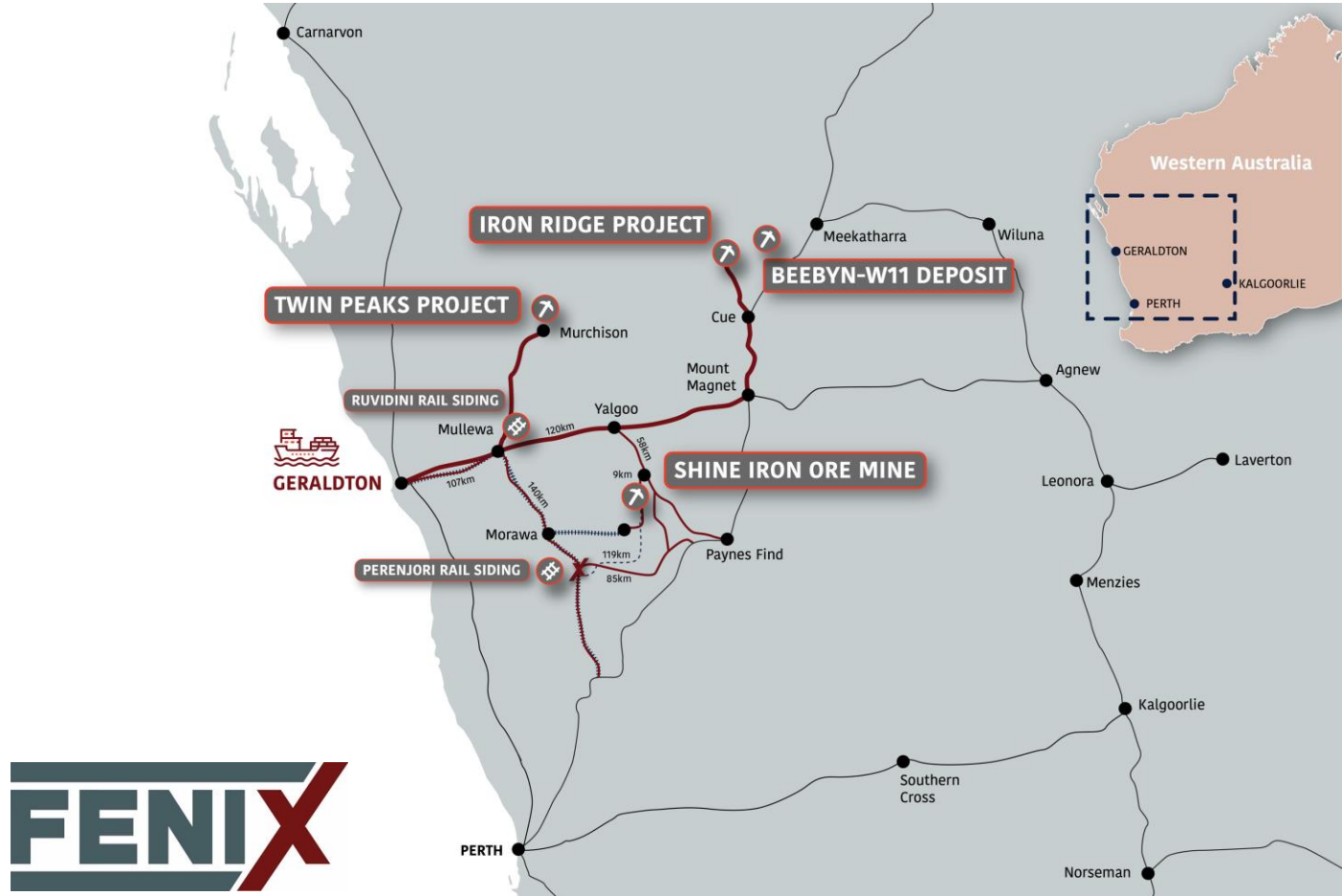
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Fenix Resources (ASX: FEX) is a high grade, high margin iron ore producer with assets in the Mid-West mining region of Western Australia.

The Company's 100% owned, flagship Iron Ridge Iron Ore Mine is a premium direct shipping ore operation 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.

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 Iron Ore Mine, the Shine Iron Ore Mine, the Right to Mine 10MT from the Beebyn-W11 iron ore deposit, the right to purchase 500KT from the Twin Peaks Iron Ore Project, three on-wharf bulk material storage sheds at Geraldton Port, two rail sidings at Ruvidini and Perenjori, and the Fenix-Newhaul logistics business which includes a state-of-the-art road haulage fleet.

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 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 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.