

ASX ANNOUNCEMENT

23 March 2023



FENIX ADDS TO IRON ORE HEDGING COVER

50KT PER MONTH AT A\$173/T TO JUNE 23

40KT PER MONTH AT A\$173/T FROM JULY 23 TO DECEMBER 23

Fenix Resources (ASX: FEX) (Fenix or the Company) is pleased to advise the Company has established new iron ore swap contracts for an additional 10,000 dry metric tonnes (dmt) per month at a fixed rate of A\$180 per dmt for the six-month period from July 2023 to December 2023.

These new contracts have been added to the Company's existing iron ore hedge book such that a total of 50,000 dmt of iron ore per month is hedged up to and including June 2023 at a fixed price of A\$173.25 per dmt and a total of 40,000 dmt of iron ore per month is hedged from July 2023 through to December 2023 at a fixed price of A\$173.38 per dmt.

Fenix's hedging arrangements consist of iron ore swap contracts with an Australian top tier financial institution which are cash settled at the end of each month for an amount equivalent to the difference between the fixed price of the contracts and the Monthly Average Platts TSI 62 Index converted to AUD. These swap arrangements are consistent with the Company's Price Protection Policy designed to support the medium-term profitability of production from the Iron Ridge Iron Ore Mine whilst maintaining positive exposure to iron ore prices.

Authorised by the Board of Fenix Resources Limited.

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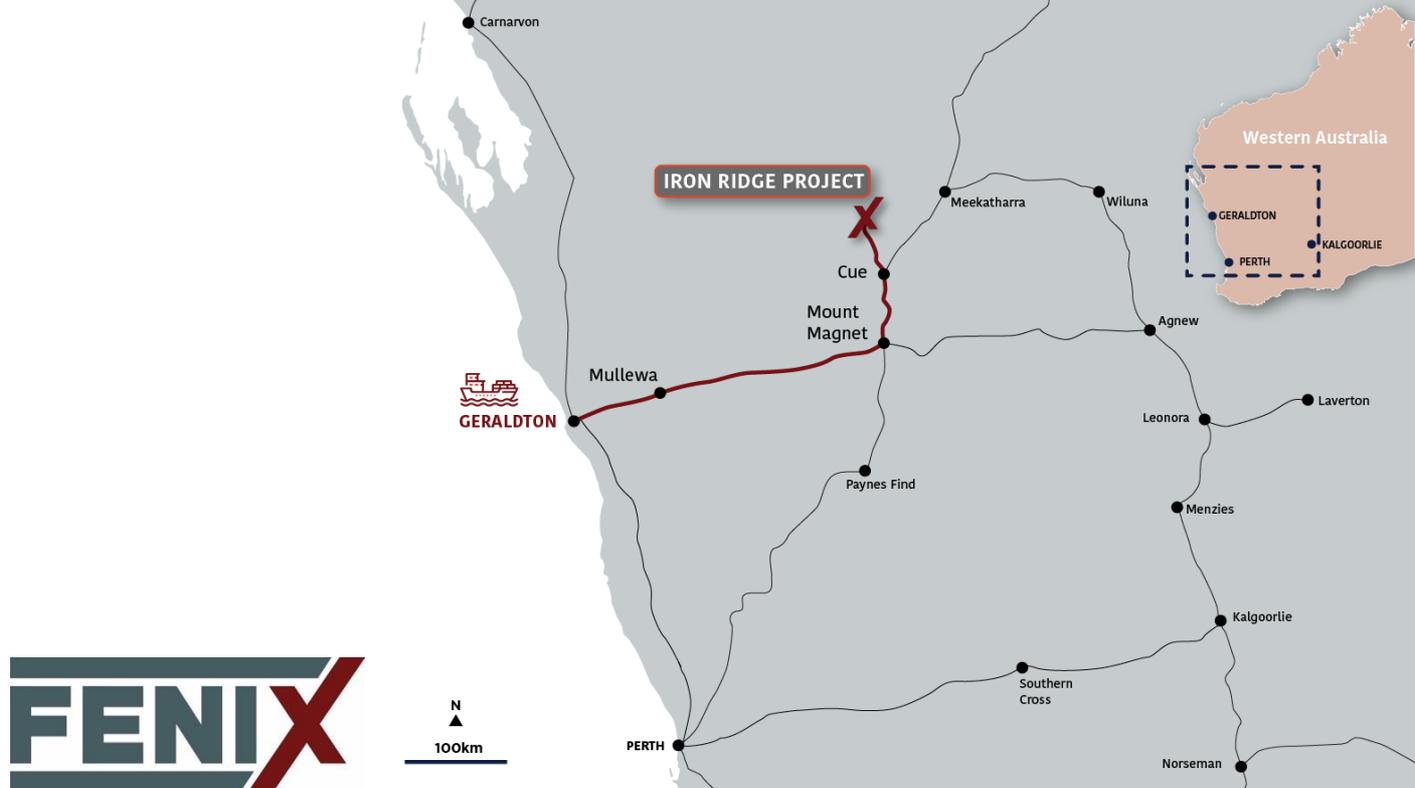
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Fenix Resources (ASX: FEX) is a high grade, high margin iron ore producer located in the mid-west mining region of Western Australia.

The Company's 100% owned, flagship Iron Ridge Iron Ore Mine is a premium direct shipping ore deposit that hosts some of the highest grade iron ore in Western Australia. Fenix's high grade iron ore attracts a premium price on the seaborne market. Increasingly, global customers are demanding high grade ore to meet increasingly strict government regulations.

Fenix operates a unique fully integrated mining and logistics business. Mining at Iron Ridge is via conventional open pit methods with a low strip ratio and simple crushing and screening of high-grade lump and fines direct shipping ore products. High quality iron ore products from Iron Ridge 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.

Production commenced at Iron Ridge in December 2020 and is operating at the planned production run rate of 1.3 million tonnes per annum. Fenix has produced and exported more than 2 million tonnes of premium iron ore, generating excellent cash flow and profitability since commencement of production. The unaudited net operating margin for the first two million dry metric tonnes of iron ore sold from Iron Ridge averaged A\$56 per dry metric tonnes shipped, representing an unaudited gross cashflow operating margin of more than A\$112 million in just 19 months of operation.

Fenix has a generous dividend policy to distribute between 50% and 80% of after-tax profits as fully franked dividends. For the year ended 30 June 2022, Fenix declared a final fully franked dividend of 5.25 cents per share.

The Company is led by a proven team with deep mining 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.