

15 February 2021

Update on Maiden Shipment of Iron Ridge Product

Highlights

- The vessel, “Ya Tai 2” chartered by the buyer under a free-on-board sales contract, has experienced mechanical issues resulting in a minor oil spill at Geraldton Port
 - 5,004 wet metric tonnes of lump product, grading in excess of 64% Fe, have been loaded on the vessel but loading operations have now been suspended by local authorities
 - The vessel may require repairs at an international repair facility
 - Fenix is pursuing all available opportunities to export its iron ore products to cover the likelihood that the “Ya Tai 2” will not be able to complete loading as originally scheduled
 - Next scheduled Iron Ridge Product export vessel is due to arrive in late February
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Western Australian high-grade iron ore producer, Fenix Resources Limited (**Fenix** or the **Company**) (ASX: FEX) advises that its scheduled maiden iron ore shipment from the Port of Geraldton has been delayed due to mechanical issues with the bulk carrier vessel, Ya Tai 2. Fenix entered into a sales contract with its offtake partner Sinosteel International Holding Company Limited on a free-on-board (FOB) basis, whereby the buyer has responsibility for chartering the vessel. Therefore, the issue regarding the Ya Tai 2 vessel is not the responsibility of Fenix.

The Company has ample product ready for loading and has a further scheduled shipment due to arrive on 24 February and scheduled for loading on 27 February, after completion of a mandatory 14-day COVID restriction.

Fenix operations at Iron Ridge are progressing well with road transport rates recently exceeding 3,400 wet metric tonnes a day, around 90% of planned output.

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

Rob Brierley
Managing Director
Fenix Resources Limited

About Fenix Resources

Fenix Resources is an ASX-listed, WA-based iron ore 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 increasingly strict government regulations.

Only requiring crushing and screening, 1.25 million tonnes of ore per annum is scheduled to be trucked to the port by a JV company owned 50% by Fenix and 50% by Newhaul Pty Ltd, headed by respected logistics expert Craig Mitchell who was the founder and owner of Mitchell Corp before selling to Toll Group. In relation to the production target, the Company confirms that all material assumptions underpinning the target continue to apply and have not materially changed since the announcement of the feasibility study on 4 November 2019.

Export capacity has been secured through binding agreements with the Mid-West Ports Authority for the use of its Geraldton Port facilities. Product sales are planned to be conducted 50% through an offtake arrangement with Sinosteel International Holding Company Limited and 50% through a marketing agreement with Atlas Iron Limited.

Production commenced on 21 December 2020, road haul continues on a routine basis with the first shipment scheduled for February 2021

The Project's Mineral Resource, announced on 21 August 2019, is categorised into Indicated and Inferred Mineral Resources as shown in Table A.

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

The Project's Ore Reserves are categorised in Table B below, as announced on 4 November 2019 titled "Feasibility Study Generates Outstanding Cashflow".

Classification	Tonnes Mt	Fe %	Al ₂ O ₃ %	LOI %	P %	SiO ₂ %	TiO ₂ %
Probable	7.76	63.9	2.79	2.00	0.05	3.46	0.09
Total Ore Reserves	7.76	63.9	2.79	2.00	0.05	3.46	0.09

Table B: Iron Ridge Ore Reserves

Competent Person Statements

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 a former employee of 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). 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.

The information in this report that relates to the Processing and Metallurgy for the Iron Ridge Project is based on and fairly represents, information and supporting documentation compiled by Mr Damian Connelly who is a Fellow of The Australasian Institute of Mining and Metallurgy and a full time employee of METS Engineering Group. Mr Connelly 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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.

The information in this report that relates to Ore Reserves is based on information compiled by Mr John Battista, a Competent Person who is a Member and Chartered Professional (Mining) of the Australasian Institute of Mining and Metallurgy and is currently employed by Mining Plus (UK) Ltd. Mr Battista 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 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. In relation to the production target and forecast financial information referred to in the report, the Company confirms that all material assumptions underpinning the production target and the forecast financial information derived from the production target continue to apply and have not materially changed since the announcement of the feasibility study on 4 November 2019.