

21 December 2020

ASX Announcement

Production underway at Iron Ridge iron ore project in WA

Fenix Resources Limited (ASX: FEX) is pleased to announce that production is underway at its Iron Ridge iron ore project in WA's Mid West.

Lump and Fines products are now being stockpiled at the Port of Geraldton in preparation for the first shipment, which is expected to take place late January / early February 2021.

Fenix aims to gradually ramp up production to an annual rate of 1.25 million tonnes. The project has Ore Reserves of 7.76Mt grading 63.9 per cent Fe.

The Iron Ridge Feasibility Study found C1 cash operating costs would be A\$76.86 per dry metric tonne (life of mine average, see ASX release dated 4 November 2019).



Mining at Iron Ridge



Crushed ore stockpile at Iron Ridge



Lump product stockpile at Geraldton Port

Authorised by the Board of Fenix Resources Limited.

For further details please contact:

Rob Brierley
Managing Director
Fenix Resources Limited

About Fenix Resources

Fenix Resources is an ASX-listed, 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 increasingly strict government regulations.

Only requiring crushing and screening, 1.25 million tonnes of ore per annum is proposed to be trucked to the port by a JV signed off in 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. 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.

Statutory permitting is complete, the mining and road transport contracts have been awarded and contract documentation with other key service providers is advanced.

A total of approximately three hundred and fifty (350) Full Time Equivalent (FTE) direct and indirect jobs throughout the supply chain will be created including seventy (70) FTEs on site at the Iron Ridge mine.

Geraldton is set to be a winner with around one hundred (100) FTEs created including approximately seventy (70) roadtrain drivers and a fleet maintenance depot established with an additional thirty (30) jobs. More jobs will be created at the Port and at local businesses and contractors that service the project.

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	Fe	Al ₂ O ₃	LOI	P	SiO ₂	TiO ₂
	Mt	%	%	%	%	%	%
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	Fe	Al ₂ O ₃	LOI	P	SiO ₂	TiO ₂
	Mt	%	%	%	%	%	%
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 Whishaw, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is employee by 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 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.