



26 October 2020

ASX Announcement

ROAD TRANSPORT CONTRACT EXECUTED FOR IRON RIDGE PROJECT

Highlights

- Road transport contract for Fenix's Iron Ridge Project executed with Fenix Newhaul Pty Ltd, an incorporated joint venture company between Fenix and Newhaul Pty Ltd
- Contract value approximately \$360 million over an approximate six-year life of mine, in line with budget estimates
- Contract due to commence in December 2020, in line with the project development timeline

Fenix Resources Limited ("Fenix" or "Company") (ASX: FEX) is pleased to announce that it has executed a contract for the road transport component of its Iron Ridge Project with Fenix Newhaul Pty Ltd (formerly Premium Minehaul Pty Ltd) (**Fenix Newhaul**). Fenix Newhaul is the incorporated joint venture company established to implement the strategic alliance between the Company and Craig Mitchell, the founder and former owner of Mitchell Corp, a major supplier of transport and logistics services to the Western Australian mining industry, as announced on 7 May 2019. Fenix Newhaul is 50% owned by Fenix and 50% owned by Newhaul Pty Ltd (formerly Minehaul Pty Ltd), an entity controlled by Mr Mitchell.

Fenix Newhaul has already ordered prime movers and trailers for the project and secured funding for this specialist equipment through an equipment manufacturer. Fenix Newhaul also has funding for start-up costs and equipment deposits through shareholder loan facilities totalling up to \$3.9 million.

The contract is valued at around \$360 million for the estimated 6 year life-of-mine, based on a terminal gate diesel price ex Geraldton of around \$1.34 per litre (current diesel price is around \$1.05). It is due to commence in December 2020, in line with the current project development timeline.

Fenix Managing Director Rob Brierley said: "Road transport was quickly identified as the largest cost component for the commercialisation of Iron Ridge. We took an innovative approach to optimise this aspect and we strongly believe that the joint venture concept with Craig Mitchell has been the right way to go. Fenix Newhaul plan to commence operations with a mix of sub-contract and owned fleet and they are actively recruiting for personnel, with most of their employees to be Geraldton-based".

The terms of the contract are in line with the Company's feasibility study, announced on 4 November 2019, and customary for contracts of this nature.

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.

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

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 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 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.