



18 August 2020

ASX Announcement

# Fenix Executes Mining Co-operation and Benefits Agreement with Native Title Group

## Highlights

- Mining Co-operation and Benefits Agreement executed with Native Title Group
- Iron Ridge development on track to commence later this year with a view to first shipment in early 2021
- Project financing arrangements imminent
- Offtake discussions well advanced

Fenix Resources Limited (“Fenix” or “Company”) (ASX: FEX) is pleased to announce that it has executed a Mining Cooperation and Benefits Agreement (“MCBA”) with the Wajarri Yamatji Native Title Claimant # 1 Group (“WY Group”) by Deed Poll, paving the way to develop the Company’s Iron Ridge DSO iron ore project near Cue in Western Australia.

The MCBA includes a modest sign-on fee (“Sign-on Fee”), ongoing royalty payments, indigenous employment targets and the ability for Wajarri-controlled businesses to participate in opportunities at both Iron Ridge and in Geraldton, where it is anticipated that the road transport entity will be based. Settlement of the Sign-on Fee will be via the issuance of 2.5 million new shares in Fenix to a nominee of the WY Group.

All commercial aspects of the MCBA are broadly in line with assumptions made in the Feasibility Study released on 4 November 2019.

Fenix Managing Director Rob Brierley said:

*“This marks another major milestone in the development of Iron Ridge and follows the recent statutory approval of the Mining Proposal and Mine Closure Plan.*

*“The negotiations with the WY Group have been highly productive and we have the utmost respect for the heritage value of the region in and around our project area. We are delighted to have executed the MCBA and look forward to working with the Wajarri people in delivering social and economic benefits to the community”.*

## Project Development

Following the completion of the MCBA and pending financing of the Project, development of Iron Ridge is imminent with only a few remaining hurdles including:

- Finalisation of product offtake arrangements; and
- Execution of port access and port lease agreements; and

- Miscellaneous associated permits and approvals which are in the advanced stages of being processed.

Under current expected timelines, Fenix expects to commence development activities at Iron Ridge later this year, with a view to first shipment in early 2021.

Authorised by the Board of Fenix Resources Limited.

For further details please contact:

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**Fenix Resources Limited**

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## 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 currently partially approved and contract documentation with key service providers is advanced.

A total of 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 if project approvals are granted.

Geraldton is set to be a winner with one hundred (100) FTEs created including 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 <sub>2</sub> O <sub>3</sub> %	LOI %	P %	SiO <sub>2</sub> %	TiO <sub>2</sub> %
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
<b>Total</b>	<b>10.5</b>	<b>64.2</b>	<b>2.57</b>	<b>1.96</b>	<b>0.046</b>	<b>3.26</b>	<b>0.09</b>

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 <sub>2</sub> O <sub>3</sub> %	LOI %	P %	SiO <sub>2</sub> %	TiO <sub>2</sub> %
Probable	7.76	63.9	2.79	2.00	0.05	3.46	0.09
<b>Total Ore Reserves</b>	<b>7.76</b>	<b>63.9</b>	<b>2.79</b>	<b>2.00</b>	<b>0.05</b>	<b>3.46</b>	<b>0.09</b>

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.