



14 October 2020

ASX Announcement

Fenix Purchases Geraldton Port Infrastructure

Highlights

- **Binding terms sheet signed for the purchase of the existing port facilities currently owned by Sinosteel Midwest Corporation at Geraldton Port for \$1 million**
 - **Port infrastructure includes a truck unloading facility, a storage shed with around 32,000 cubic metres of capacity, and associated conveyor networks**
 - **Fenix is engaged in advanced discussions with Midwest Ports Authority on securing export capacity and leases at Geraldton Port**
 - **Port infrastructure will require recommissioning at an estimated cost of \$0.25 million, over a timeframe of around six weeks**
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Fenix Resources Limited ("**Fenix**" or "**Company**") (ASX: FEX) is pleased to announce that it has executed a terms sheet that binds Sinosteel Midwest Corporation Limited (SMC) to sell the iron ore storage shed, truck unloading and conveyor systems located at the Geraldton Port to Fenix. The purchase is on an as-is, where-is basis, with Fenix having already conducted a detailed assessment of the infrastructure and established a recommissioning plan that should see the facility ready to accept iron ore haulage trucks in December 2020.

The purchase price of \$1 million will be paid on completion, which is expected in November 2020, and will be funded from current cash holdings after finalisation of the capital raising of \$15m (before costs) announced on 20 August 2020.

Fenix is working closely with the Midwest Ports Authority to execute the Port Services and Port Lease agreements, now that it has secured a port storage and trucking unloading solution at the Geraldton Port.

SMC owns the Weld Range Iron Ore project, which is adjacent to Fenix's Iron Ridge Project, and is a wholly owned subsidiary of Sinosteel Group Corporation Limited, a Chinese State Owned Enterprise.

Additional to the sale and purchase of the Port infrastructure, SMC and Fenix have reached agreement to cooperate on commercial terms to ensure that the Iron Ridge project has the necessary area to fit all of its infrastructure during the economic life of the Iron Ridge Project.

Fenix Managing Director Rob Brierley said: "We believe that we have secured a strategic asset that should facilitate the timely development of the Iron Ridge project by gaining access to bulk export facility. We look forward to fostering our strong relationship with Sinosteel further."

Fenix and SMC will now proceed to prepare and create formal agreements consistent with the Terms Sheet.

Authorised by the Board of Fenix Resources Limited.

For further details please contact:

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Existing Geraldton Port Infrastructure showing location of Sinosteel Port Shed and the Multi-user bulk shipping loading facility (Berth 5)



Existing Sinosteel Port Shed – internal view



Existing Sinosteel Port Truck Unloading Infrastructure

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 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 around 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 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.