



FY22 FULL YEAR RESULTS

\$50.7 MILLION PROFIT AFTER TAX

5.25 CENT FULLY FRANKED DIVIDEND DECLARED

Key FY22 Highlights:

- Total iron ore sales of 1.34 million wet metric tonnes (wmt) (FY21: 0.5Mt)
- Total sales revenue of \$249.2 million, **up 118%** on FY21
- Net profit after tax of **\$50.7 million**
- Net operating cashflow from operations of \$62.3 million and free cash flow of \$56.9 million
- C1 FOB Cash costs of **US\$62/wmt** (\$88.8/wmt)
- Cash on hand of **\$102 million** at 30 June 2022
- Final fully franked dividend of **5.25 cents per share** declared
- Excellent safety record and strong ongoing operational performance
- Mineral Resources at 30 June 2022 total **8.3Mt at 64.8% Fe** inclusive of Ore Reserves
- Hedging in place out to 30 June 2023 supporting current 1.3Mtpa run rate

Fenix Resources Limited (ASX: FEX) (Fenix or the Company), a fully integrated mining and logistics haulage business, is pleased to announce the Company's financial results for the year ended 30 June 2022 (FY22).

Fenix generated annual sales revenue of \$249.2 million which delivered a net profit after tax of \$50.7 million for FY22.

Fenix has declared a final fully franked dividend of 5.25 cents per share for FY22.

Fenix's Chairman, Mr John Welborn, was delighted with the Company's strong operational and financial performance: "Fenix continues to deliver outstanding returns for shareholders based on the excellent operational focus of our team and the application of disciplined corporate strategy. We are exceptionally well placed to maintain the strength of our existing operations and advance exciting opportunities for further growth."

Operating and Financial Performance for FY22

The shipment and sale of 1.34 million wmt of high-quality iron ore from Fenix's 100% owned flagship Iron Ridge Iron Ore Mine consisted of approximately 627,000 wmt of lump iron ore at an average grade of 64.3% Fe and 708,000 wmt of fines at an average grade of 61.9% Fe. The unique high-grade, high-quality iron ore from Iron Ridge continues to attract strong demand from a broad range of international customers.

C1 FOB Cash Costs for the year were \$88.83/wmt shipped, equivalent to approximately US\$62/wmt. Following completion of the Fenix Newhaul Transaction, the Company expects

C1 FOB cash costs to reduce by approximately \$10 per tonne recognising full ownership by the Company of the haulage profit margin.

Revenue in FY22 of \$249.2 million was 118% higher than the prior year reflecting the successful ramp up of operations.

Net profit after tax for FY22 of \$50.7 million and net operating cashflow for FY22 of \$62.3 million were consistent with the prior year's results (FY21 profit after tax of \$49.0 million and FY21 operating cashflow of \$65.3 million) despite volatility in the iron ore price and increased fuel and freight costs.

As at 30 June 2022, Fenix had A\$101.9 million in cash on hand and no senior bank debt. The Company's cash balance as at 30 June 2022 represented net cash backing of approximately \$0.20 per share.

Final Dividend Declared for FY22

Fenix has a dividend policy to distribute between 50% and 80% of after-tax profits as fully franked dividends, subject to the availability of franking credits.

In accordance with the Company's dividend policy, Fenix has declared a final fully franked dividend of 5.25 cents (\$0.0525) per share representing a total dividend payment of \$28.7 million equating to 57% of net profit after tax. The dividend is due to be paid on 5 October 2022 to shareholders on the register as at 2 September 2022.

The FY22 final dividend of 5.25 cents per share is consistent with the 5.25 cent per share maiden dividend paid in FY21.

Strong Hedging Position for FY23

Fenix has iron ore swap arrangements in place for 50,000 dmt per month to September 2022 at a price equivalent to A\$230.30/dmt and a further 35,000 dmt per month from October 2022 to June 2023 at a price equivalent to A\$180.65/dmt. As at 30 June 2022, these hedging arrangements had a mark-to-market value of approximately A\$12.65 million.

Annual Report and Mineral Resource and Ore Reserves Statement

Full details of Fenix's full year financial results for FY22, and the Company's Annual Mineral Resource and Ore Reserve Statement, are contained in the Company's Annual Report released to the ASX today.

FY23 Outlook

Fenix expects to maintain existing operating volumes and ship approximately 1.3 million wmt of iron ore during the current financial year. Operating costs are dependent on prevailing fuel prices with the Company working to deliver C1 FOB Cash Costs below US\$60/wmt.

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

John Welborn

Chairman

Fenix Resources Limited

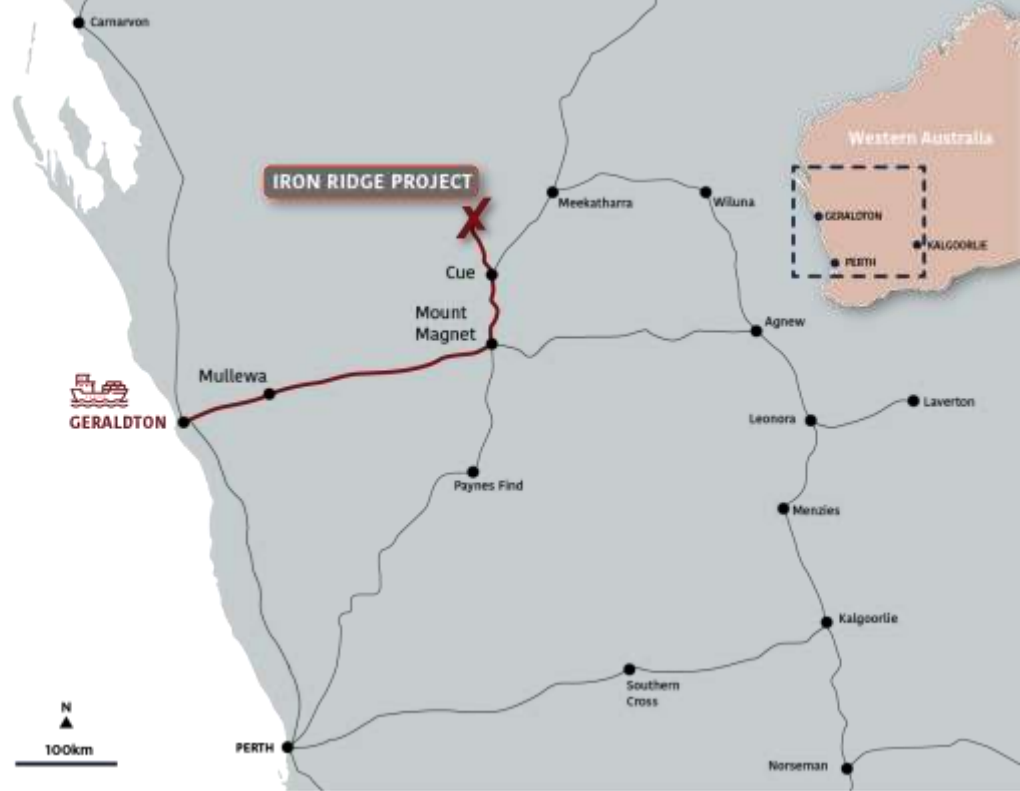
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Fenix Resources (ASX: FEX) is a high grade, high margin iron ore producer located in the mid-west mining region of Western Australia.

The Company's 100% owned, flagship Iron Ridge Iron Ore Mine is a premium Direct Shipping Ore (DSO) deposit that hosts some of the highest grade iron ore in Western Australia. Production commenced in December 2020 following a rapid three-month development period, and first sales were generated in February 2021.

High-grade Iron Ore is transported by road from Iron Ridge using the 100% owned Fenix-Newhaul haulage business to Geraldton where it is shipped using the Company's port facility. Approximately 1.8 million tonnes of premium iron ore products have been exported to date, generating solid cash flow.

High grade iron ore attracts a premium price on the seaborne market, as a purer product results in lower emissions. Chinese steelworks are demanding low impurity ore to meet increasingly strict government regulations.

Fenix has transformed to become a fully integrated mining, logistics haulage business with the acquisition of 100% of Fenix Newhaul. This strategic move substantially reduces C1 FOB cash costs and provides flexibility to scale haulage operations to match production volumes. Furthermore, logistics capabilities in haulage and port operations enhances Fenix's ability to unlock expansion opportunities in the Mid-West.

The Company is led by a proven team with deep mining experience and benefits from strategic alliances and agreements, including binding agreements with the Mid West Ports Authority for the use of its Geraldton Port facilities, a 50% off-take arrangement with Sinosteel International Holding Company Limited and an exclusive marketing agreement with Atlas Iron Pty Ltd for the remaining 50% of product sales.

Fenix is focused on promoting opportunities for local businesses and the community; to date, the project has generated some 200 local jobs. Fenix is proud to employ a 40% indigenous workforce and to be in partnership with Schwarze Brothers Pty Ltd and other leading service providers.

Competent Person Statement

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 a former employee of 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 original market announcement on 21 August 2019 and the Company's Annual Report on 29 August 2022 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.