

ASX ANNOUNCEMENT



14 March 2024

FENIX SECURES NEW \$70 MILLION HAULAGE AND LOGISTICS CONTRACT

HIGHLIGHTS

- Fenix-Newhaul and Fenix Port Services appointed as haulage and logistics services providers for regional iron producer Gold Valley's Mid-West iron ore operations
- Binding terms agreed for Haulage and Port Logistics services which will generate more than \$70 million in additional revenue to Fenix over the three-year contracted term, with the option to extend the term by mutual agreement
- Inland port terminal to be developed on Fenix's landholding at the Ruvidini Rail Siding to enable the delivery of Gold Valley iron ore products which will be hauled by Fenix-Newhaul to the Fenix Port Services facilities at Geraldton Port for ship loading and export
- Fenix will provide logistics services for 3 million tonnes of iron ore over a three-year period commencing from the date Ruvidini Rail Siding has been recommissioned as an inland port, anticipated to occur prior to June 2024
- The new Fenix inland port at Ruvidini will facilitate highly efficient road and rail haulage transport solutions for regional Mid-West bulk commodity producers with the advantage of integrated port solutions for efficient product storage, ship loading and export
- Fenix continues to explore opportunities to unlock value from regional Mid-West resource projects by the provision of Fenix's unique integrated mining, logistics and port services capabilities

Fenix Resources Limited (ASX: FEX) (Fenix or the Company) is pleased to announce that the Company, via its wholly owned subsidiaries Fenix-Newhaul Pty Limited (**Fenix-Newhaul**) and Fenix Port Services Pty Limited (**Fenix Port Services**), has agreed to binding terms with Gold Valley Iron Ore Pty Limited (**Gold Valley**) for Fenix to provide comprehensive haulage logistics and port services for iron ore products produced from Gold Valley's Mid-West operations in Western Australia.

The service agreements are comprised of a Haulage and Logistics Agreement and a Port Services Agreement (together, the **Agreements**) which collectively cover the transportation and handling of Gold Valley's iron ore products from a new inland port to be developed at Fenix's rail siding landholding at Ruvidini to Fenix's extensive on-wharf storage facilities at Geraldton Port, where the iron ore product will be loaded onto ships for export.

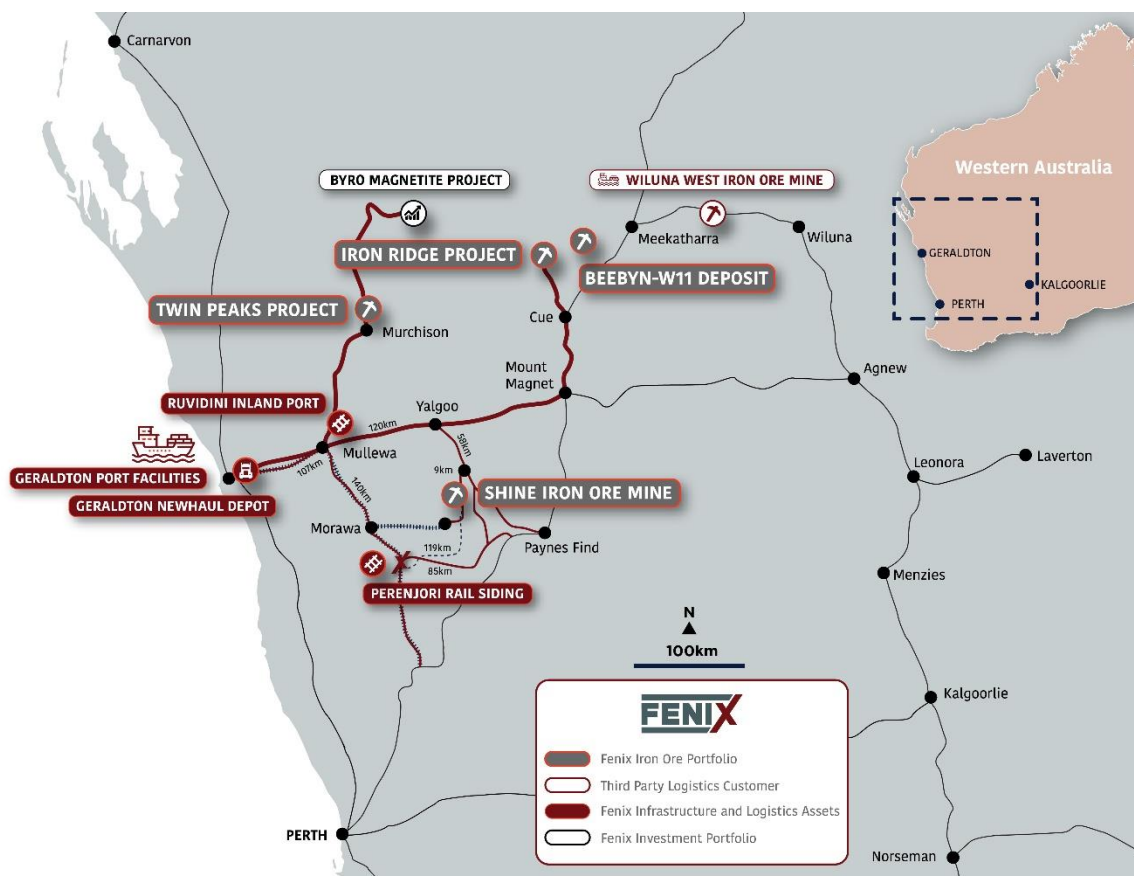
Commenting on the new \$70 million haulage and logistics Agreements, Executive Chairman of Fenix, Mr John Welborn, said:

“Fenix is building a significant third-party logistics business which will generate excellent returns for shareholders as well as creating an exciting platform to unlock further value by increasing the Company’s production and export capacity.”

“Gold Valley has recently acquired one of the largest iron ore projects in the Mid-West and represents a perfect logistics partner for Fenix. The partnership has the potential to provide long term benefits to both Fenix and Gold Valley as both companies promote economic growth in the Mid-West.”

“The establishment of an inland port at our Ruvidini Rail Siding property will create another valuable strategic infrastructure asset for Fenix. An inland port will create the immediate ability to flexibly manage tonnage stored and shipped through Fenix’s facilities at Geraldton Port, expanding the ultimate throughout capacity of these on-wharf facilities. Ruvidini will also provide infrastructure for Fenix to store, stage, and blend ore products produced from our own mining operations as well as providing the potential for future access to rail haulage into Geraldton and facilitating significantly more efficient and safer road haulage solutions by cutting travel times and enabling better coordination and management.”

“The Agreements with Gold Valley provide an immediate boost to Fenix’s revenues and are a pleasing expansion of our third-party logistics business. We continue to seek opportunities in the Mid-West to use the Company’s unique mining, haulage and logistics capacities to unlock value from regional projects.”



Fenix’s Assets in Western Australia’s Mid-West Region

AGREEMENTS WITH GOLD VALLEY

The Agreements between Fenix and Gold Valley are comprised of two parallel binding term sheets, the Logistics and Haulage Agreement, and the Port Services Agreement which together stipulate that Fenix will provide transport and logistics for 3,000,000 tonnes of iron ore product from Gold Valley's Mid-West operations over a three-year period.

Under the terms of the Agreements, Gold Valley will pay Fenix a combination of fixed and variable fees in addition to the charges levied by the Mid West Ports Authority (Mwpa). These fees and charges will be subject to industry standard rise and fall mechanisms.

KEY TERMS & DETAILS

Haulage and Logistics Agreement

Under the Logistics Agreement, Gold Valley has agreed to appoint Fenix's wholly owned logistics subsidiary Fenix-Newhaul as haulage and logistics services provider for the transport of 3,000,000 tonnes of iron ore extracted from Gold Valley's Mid-West operations, which will be delivered by Gold Valley to Fenix's inland port terminal at Ruvidini Rail Siding and then hauled by Fenix-Newhaul to Fenix's facilities at Geraldton port.

Port Services Agreement

Under the Port Services Agreement, Fenix's wholly owned port services subsidiary Fenix Port Services has agreed to provide services to Gold Valley in relation to the 3,000,000 tonnes of product which will be transported through Fenix's facilities at Geraldton Port. The Port Services Agreement covers the comprehensive services required for handling and storage of Gold Valley's ore from delivery to Geraldton Port by Fenix-Newhaul up to the point the product has been loaded onto ocean-going vessels for export.

Term

The Agreements cover up to a three-year period, commencing from the date Ruvidini Rail Siding has been recommissioned for use, ending at the earlier of:

- a. the date 3 years after the date of commencement; and
- b. when the total number of tonnes handled under the Agreements reach 3,000,000 tonnes.

The parties may agree to extend the term by mutual agreement.

Services to be provided under the Agreements will commence on a date nominated by Fenix-Newhaul (expected to be June 2024) which shall be when the Ruvidini Rail Siding has been commissioned and Fenix-Newhaul obtaining all approvals required by Fenix-Newhaul for the performance of the Logistics Services.

The Agreements are subject to suspension and termination provisions considered standard for agreements of this nature.

Fees and Charges

The applicable fees payable to Fenix by Gold Valley under the Agreements are comprised of a combination of fixed period-based rates, fixed and variable rates based on tonnage, capacity reservation charges, and the standard schedule of rates and tariffs imposed by the Mid West Ports Authority (Mwpa) at Geraldton Port.

Based on the haulage and export of 3,000,000 tonnes of product over a three year term, the combination of the fixed and variable fees and charges for Haulage and Port Logistics services will generate more than \$70 million in revenue for Fenix.

Upfront Cash Consideration

Prior to commencement of services, Gold Valley has agreed to provide Fenix with upfront cash consideration of approximately A\$1.4 million under the Haulage and Logistics Agreement. The upfront cash consideration is to fund the required capital expenditure at the Ruvidini Rail Siding to service the Agreements and may be offset against the fixed fees payable under the Haulage and Logistics Agreement.

Security

Fenix will be entitled to retain possession of a security by way of unconditional bank guarantee, intended to cover three-months' expected service fees and subject to escalation per standard rise and fall measures.

Take or Pay Provisions

Gold Valley will be subject to customary take-or-pay provisions enforced by the Mid West Ports Authority for minimum throughput tonnages shipped through Geraldton Port.

FENIX LOGISTICS & TRANSPORT SOLUTIONS



Fenix-Newhaul 200-tonne quad road train

Fenix-Newhaul

Fenix-Newhaul was incorporated in October 2020 as a 50:50 joint venture company to provide haulage and logistics services to Fenix's Iron Ridge Project located in the Mid-West region of Western Australia, 490km from Geraldton Port.

Fenix acquired 100% ownership of Fenix-Newhaul in an immediately value accretive transaction in June 2022 (see ASX Announcement dated 21 June 2022). Since the consolidation of the business as a wholly owned subsidiary, Fenix-Newhaul has provided cost saving efficiencies that have enabled Fenix to reduce C1 FOB cash costs for production from

Iron Ridge by more than \$10 per tonne. The integration of the business within Fenix has also enabled the Company to:

- target expansion opportunities for Fenix to develop new mines in the Mid-West that can use Fenix-Newhaul's unique high-quality haulage and logistics solutions; and
- develop third-party logistics partnerships in the Mid-West that provide the opportunity to build a robust new revenue stream for Fenix.

Fenix-Newhaul is a state-of-the-art, tier 1 logistics services company which currently operates a 30-vehicle fleet of 200-tonne quad road trains. Fenix-Newhaul has demonstrated industry leading performance delivery in safety and costs. The business utilises cutting edge technology with a focus on training and upskilling to provide long-term benefits to new and existing drivers.

The Fenix-Newhaul business assets include a 30 hectare depot in Geraldton with 24-hour workshop and administration support as well as a driver change-over facility and accommodation base at Cue. Fenix-Newhaul is focused on delivering best-in-class logistics and haulage solutions and is actively investing in technology to continue as a leader in cost and efficiency. Current investments at the Geraldton depot include a driver wellness hub, new washdown bays, and additional infrastructure which is expected to significantly reduce cycle times and therefore, further improve costs and efficiency.

Fenix Port Services

Fenix Port Services owns and operates three on-wharf storage facilities at the Port of Geraldton with total capacity to store more than 400,000 tonnes of bulk products at any one time. The business also owns a truck unloader at Geraldton Port which can directly load all three storage facilities and also owns infrastructure that can connect the sheds to the MWPA rail unloader.

Fenix is confident that the Fenix Port Services facilities at Geraldton Port can support the storage, loading and export of up to 10 million tonnes per annum of bulk commodity products. Currently, Fenix has priority capacity reservation provided by MWPA for 4 million tonnes per annum of export throughput.



Fenix's Geraldton Port facilities

On-wharf storage facilities at Geraldton Port and MWPA capacity reservation are essential for Mid-West bulk commodity producers seeking to efficiently export material via Geraldton. Shed 13 has approximately 80,000 tonnes capacity, Shed 4 has storage capacity of approximately 120,000 tonnes, and Shed 5 has storage capacity of approximately 240,000 tonnes.

Fenix Port Services has an innovative approach designed to optimize port operations for both Fenix and third-party customers. This service leverages Fenix's expertise and infrastructure at their state-of-the-art port facilities to provide efficient, streamlined logistics and distribution services. Fenix Port Services aims to enhance operational efficiencies, reduce costs, and improve the overall supply chain for businesses looking to access global markets.

Fenix Rail Sidings

Fenix owns two rail siding infrastructure assets located at Ruvidini and at Perenjori. The rail sidings include assembly locations and ore storage areas sufficiently large to blend and store bulk product. The rail sidings provide access to the Mid-West rail network, with direct connections to Geraldton Port.



Perenjori Rail Siding

Fenix's new Inland Port at Ruvidini

The acreage at Ruvidini covers a significant landholding, which was historically used for storage and staging of various bulk materials prior to rail haulage to Geraldton Port. The land is accessible by road or by rail, via the siding connection to the Geraldton Rail network. Ruvidini Rail Siding provides an opportunity for higher volumes, and flexibility for increased accessibility and efficiency of haulage and logistics throughput to Geraldton Port.

Recommissioning Ruvidini Rail Siding as an inland port provides Fenix the ability to moderate the timing surrounding tonnages shipped through Fenix's Geraldton Port facilities, reducing efficiency bottlenecks and providing storage of iron ore materials for minimal cost. Fenix intends to work in partnership with Main Roads to rehabilitate and commission the Ruvidini Rail Siding, including associated road works.

Fenix is exploring future opportunities to extend the company's logistics offering to include rail haulage solutions as a means to bolster future revenue opportunities for both Fenix-owned product as well as third-party producers seeking to export through the Port of Geraldton.

FENIX LOGISTICS BUSINESS STRATEGY

Fenix is actively seeking to expand its portfolio of third-party road haulage, rail and port logistics contracts, through its Fenix-Newhaul road haulage operation, Fenix rail sidings and Fenix Port Services business at Geraldton Port. Fenix is in active negotiations with several interested parties to provide road haulage, rail, and port services.

ABOUT GOLD VALLEY

Gold Valley Iron Ore is wholly owned by a diversified Australia based company known as 'Gold Valley' which holds interests in mining, agriculture and energy in Western Australia. Gold Valley and its subsidiary companies hold the mining rights to several producing iron ore mining operations in the Mid-West region of Western Australia. Gold Valley and related parties own the Wiluna West Iron Ore Project, acquired from ASX-listed GWR Group Ltd (**ASX:GWR**) on 7 March 2024 and currently hold a ~29.4% shareholding in iron ore producer CuFe Ltd (**ASX:CUF**).

Authorised by the Board of Fenix Resources Limited.

For further information, contact:

John Welborn

Chairman

Fenix Resources Limited

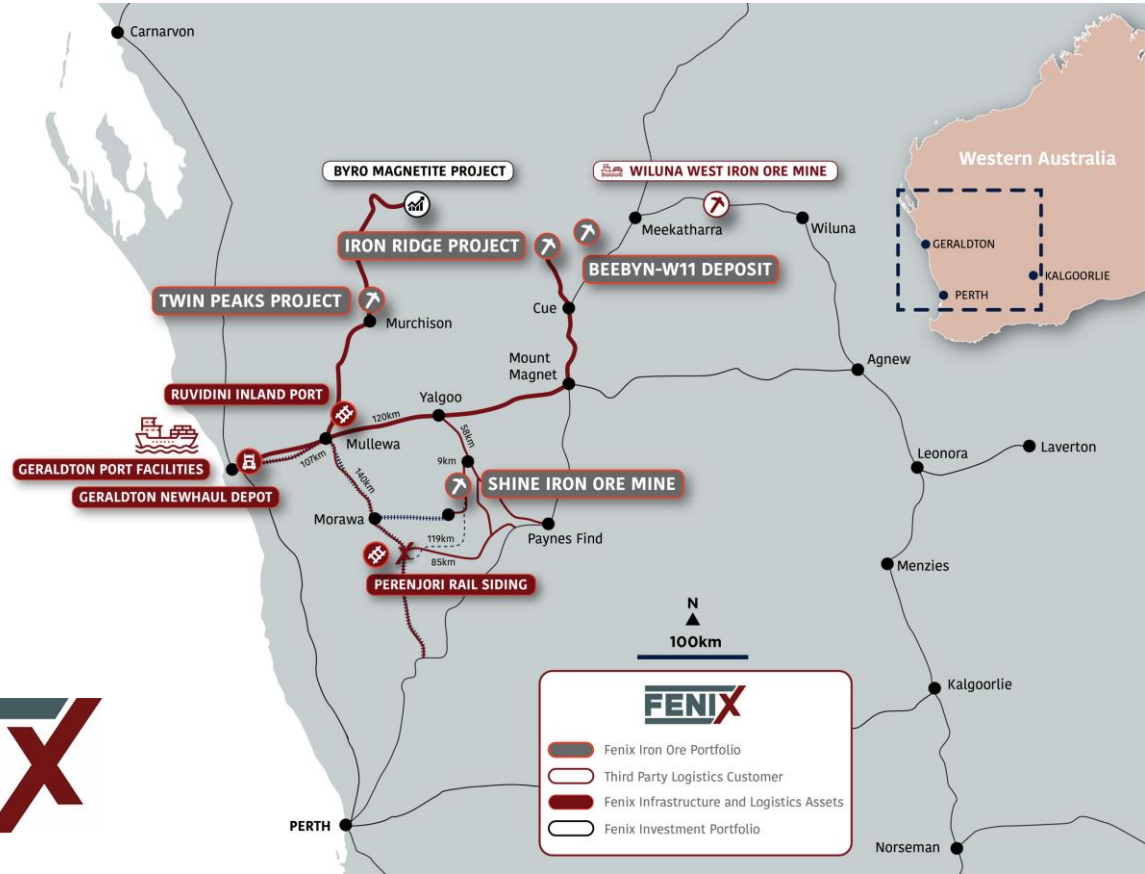
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Fenix Resources (ASX: FEX) is a highly profitable, fully integrated mining, logistics and port services business with assets in the Mid-West region of Western Australia.

Fenix operates a unique fully integrated mining and logistics business. High quality iron ore products are transported by road to Geraldton using the Company's 100% owned Fenix-Newhaul haulage and logistics business. Fenix's wholly-owned Fenix Port Services business operates its own loading and storage facilities at the Geraldton Port, with storage capacity of more than 400,000 tonnes and loading capacity of more than 5 million tonnes per annum.

Fenix's diversified Mid-West iron ore, port and rail asset base provides an excellent foundation for future growth. These assets include the Iron Ridge mine, the Beebyn W11 Deposit, the Twin Peaks Iron Ore Mine, the Shine Iron Ore Mine, the Fenix-Newhaul haulage business which includes a state-of-the-art road haulage fleet, two rail sidings at Ruvidini and Perenjori, as well as the Fenix Port Services business that operates three on-wharf bulk material storage sheds at Geraldton Port.

The Company's 100% owned, flagship Iron Ridge Iron Ore Mine is a premium high grade, high margin, direct shipping iron ore operation located approximately 360km north east of Geraldton that hosts some of the highest grade iron ore in Western Australia. Production commenced at Iron Ridge in December 2020 and is currently operating at the production run rate of 1.3 million tonnes per annum.

The Company is led by a proven team with deep mining and logistics experience and benefits from strategic alliances and agreements with key stakeholders, including the Wajarri Yamatji people who are the Traditional Custodians of the land on which Fenix is currently operating.

Fenix is focused on promoting opportunities for local businesses and the community. The Company has generated more than 200 local jobs. Fenix is proud to have a strong indigenous representation in the Company's workforce and to be in partnership with leading local and national service providers.

We acknowledge the Wajarri Yamatji people as the Traditional Custodians of the land our Iron Ridge Project is located on. We pay our respects to elders and leaders past, present and emerging.

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