



20 August 2020

ASX Announcement

\$15 million Placement to Develop Iron Ridge

Highlights

- Fenix receives firm commitments for a Placement to raise \$15 million (before costs)
- Strong demand from international and Australian institutional investors further strengthens the quality of the Company's share register
- Iron Ridge now funded to commence development immediately (pending receipt of miscellaneous approvals and finalisation of off-take arrangements)
- Iron Ridge development on track to commence later this year with first shipment scheduled for early 2021

Fenix Resources Limited ("**Fenix**" or "**Company**") (ASX: FEX) is pleased to advise it has received firm commitments for a placement to raise \$15 million through the issue of approximately 103.5 million new fully paid ordinary shares ("**New Shares**") at 14.5 cents (\$0.145) per New Share ("**Placement**").

The Placement was heavily oversubscribed and strongly supported by existing and new sophisticated and professional investors. It will result in the addition of a number of new high-quality international and Australian institutional investors to Fenix's share register.

The Placement means Fenix is on track and funded to start development of its high-grade iron ore project, Iron Ridge ("**Iron Ridge**" or the "**Project**"), immediately and is targeting to ship its first Direct Shipping Ore (DSO) early in 2021. Funds raised will be used towards:

- Iron Ridge capital expenditure, as outlined in the Feasibility Study released on 4 November 2019;
- Other items to advance and optimise Iron Ridge; and
- Corporate overheads and working capital

The Placement follows the achievement of several key recent milestones which have placed Fenix in a strong position to move to development, including:

- The release of the Feasibility Study in November 2019 showing Iron Ridge will generate outstanding cashflow and financial returns;
- Department of Mines, Industry Regulation and Safety approval of the Mining Proposal and Mine Closure Plan; and
- The execution of a Mining Co-operation and Benefits Agreement with the Wajarri Yamatji Native Title Claimant #1 Group.

Fenix Managing Director Rob Brierley said: "We are very pleased with the strong support from a number of high-quality institutional investors as the Company raises the capital required to commence development of its Iron Ridge iron ore project in Western Australia. We are proud to welcome several new, high quality institutional investors located both domestically and internationally.

"Iron Ridge is a simple DSO project which is set to generate very strong cashflow on the back of its shallow ore, proximity to port, high grades and robust margins based on the strong prevailing iron ore pricing environment."

Placement Details

The New Shares offered under the Placement will be issued in two tranches, being:

- 68,941,410 New Shares to be issued, raising approximately \$10.0 million (“**Tranche 1**”), pursuant to the Company’s existing placement capacity under Listing Rule 7.1 (comprising 40,364,846 New Shares) and Listing Rule 7.1A (comprising 28,576,564 New Shares). No shareholder approval is required for the issue of New Shares in Tranche 1; and
- Approximately 34,506,866 New Shares to be issued, raising a further approximately \$5.0 million (“**Tranche 2**”). The New Shares issued under Tranche 2 are subject to shareholder approval at a general meeting, indicatively scheduled for early October 2020.

Hartleys Limited acted as Sole Lead Manager to the Placement.

The New Shares to be issued under the Placement are fully paid ordinary shares and will rank equally alongside existing shares in the Company. An indicative timetable for the Placement is set out in Appendix 1. The timetable remains subject to change at the Company’s discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Authorised by the Board of Fenix Resources Limited.

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Appendix 1: Indicative Timetable

Key Event	Date
Trading Halt	18 August 2020
Announcement of Placement and Investor Presentation; Trading Halt lifted	20 August 2020
Settlement of Tranche 1 Placement Shares	27 August 2020
Allotment and Quotation of Tranche 1 Placement Shares	28 August 2020
Notice of Meeting sent to shareholders (NOM)	On or around 1 September 2020
General Meeting for shareholders to consider approval of Tranche 2 Placement Shares	Early October 2020
Settlement of Tranche 2 Placement Shares	Early October 2020
Allotment and Quotation of Tranche 2 Placement Shares	Early October 2020

The timetable is indicative only and remains subject to change at the Company discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable at any time before new Shares are issued, subject to regulatory requirements.

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 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.