



For personal use only

FENIX RESOURCES LIMITED

THE NEXT AUSTRALIAN
HIGH-GRADE IRON ORE MINER

Corporate Presentation
August 2020

Important Disclosure



Disclaimer

- The material in this presentation has been prepared by Fenix Resources Limited (“Fenix”) and is general background information on Fenix. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs.
- Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.
- This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Fenix Resources’ businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Fenix Resources does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Fenix Resources’ control. Past performance is not a reliable indication of future performance.

Competent Person’s Statement

- The information in this presentation that relates to Mineral Resources is based on information compiled by Mr Alex Wishaw, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is employee by CSA Global Pty Ltd. Mr Wishaw 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 presentation 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 presentation 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.

Company Overview

Why invest in Fenix



The Next Australian High-Grade Iron Ore Miner

- 100% owner of the high-grade (64.2%) Iron Ridge iron ore deposit in WA's Mid West
- All tenements granted; Mining Proposal and Mine Closure Plan approved
- Mining Co-Operation and Benefits Agreement executed with native title claimants
- 490km by sealed road to Geraldton Port
- FID expected in the coming months; Four months from start of construction to first shipment
- Initial capital cost of only \$11.9m; FS forecasts C1 cash costs of A\$76.86/t; Diesel price has since fallen sharply
- FS forecast average annual EBITDA of \$16.4m based on benchmark Fe price of A\$111.43/t; Current Spot price ~A\$171.29/t
- Simple DSO operation; Iron ore starts at surface; Single open pit with staged cutbacks
- Agreements established for trucking and port services
- Enterprise Value: \$48.7m



World Class WA Mining Jurisdiction



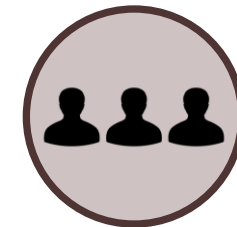
High-Grade 64.2% Iron Ore Resource



Buoyant A\$ Iron Ore Price



Compelling Feasibility Study Results



Highly Experienced Board & Management Team

Corporate Overview



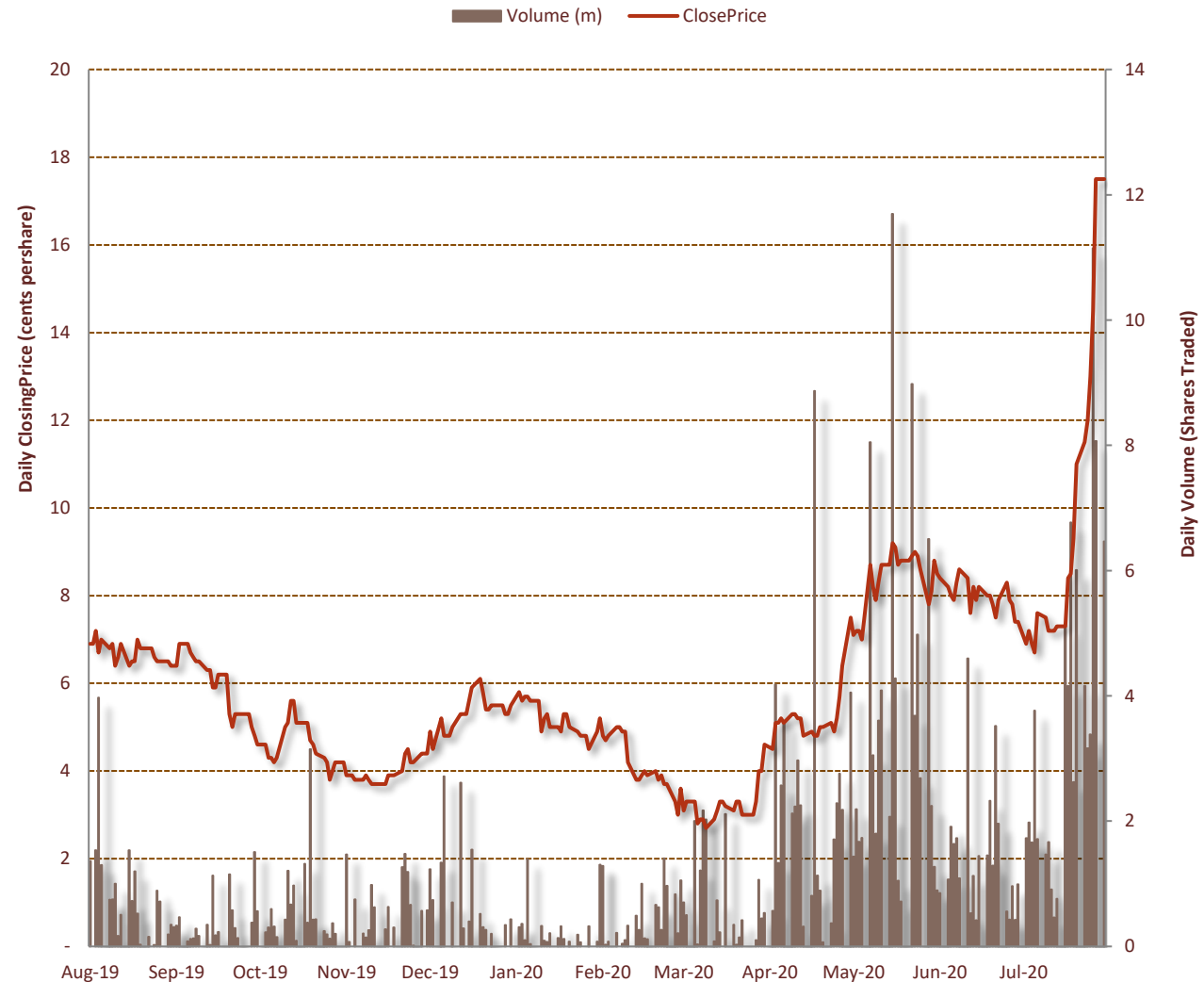
For personal use only

Capital Structure & Pricing	
Ordinary shares on issue	285.8m
Vendor Performance Shares ¹	97.5m
Employee Performance Rights ¹	1.5m
Unlisted Options ²	79.0m
Share Price (17 August 2020)	\$0.175
Market capitalisation (undiluted)	\$50.0m
Cash ³	\$1.3m
Debt	Nil
Enterprise Value (undiluted)	\$48.7m

- Hurdles aligned with key asset development milestones
- 59 million options: exercise price of 8 cents and expiry date of 21 Nov 2021 | 10 million options: Exercise price of 7 cents and expiry date of 31 Dec 2021 | 10 million options: Exercise price of 6 cents and expiry date of 31 Dec 2021
- Cash as at 30 June 2020

Board & Management	
Garret Dixon	Non Executive Chairman
Rob Brierley	Managing Director
Garry Plowright	Executive Director

Share Price History



For personal use only

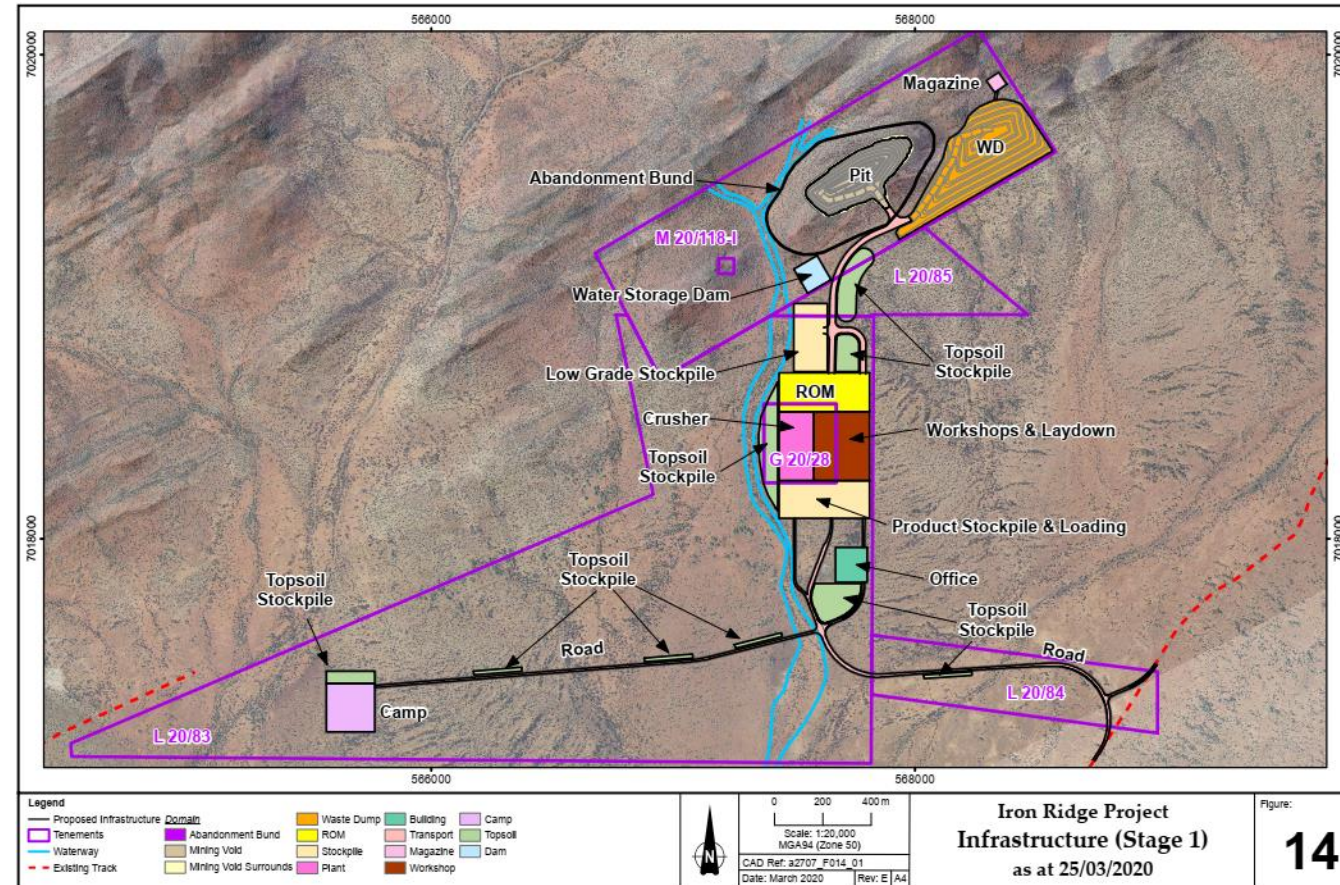
Iron Ridge Project

Iron Ridge Project



High Grade Iron Ore Project in the Midwest

- Fenix acquired the right to 100% of the project in May 2018 and completed the transaction in November 2018.
- Mineral Resource Estimate¹ of 10.5 Mt @ 64.2% Fe, which represents some of the highest grade iron ore in Western Australia
- The deposit is on a Granted Mining Lease with historical mining of micaceous iron oxide
- Feasibility Study Completed November 2019
- Maiden Ore Reserves² of 7.8Mt @ 63.9% Fe
- Mining Proposal Lodged with DMIRS in April 2020 and approved 12 August 2020
- Mining Co-Operation and Benefits Agreement executed with native title claimants on 18 August 2020



¹ Refer ASX release from Fenix Resources Ltd (FEX) dated 21 August 2019.

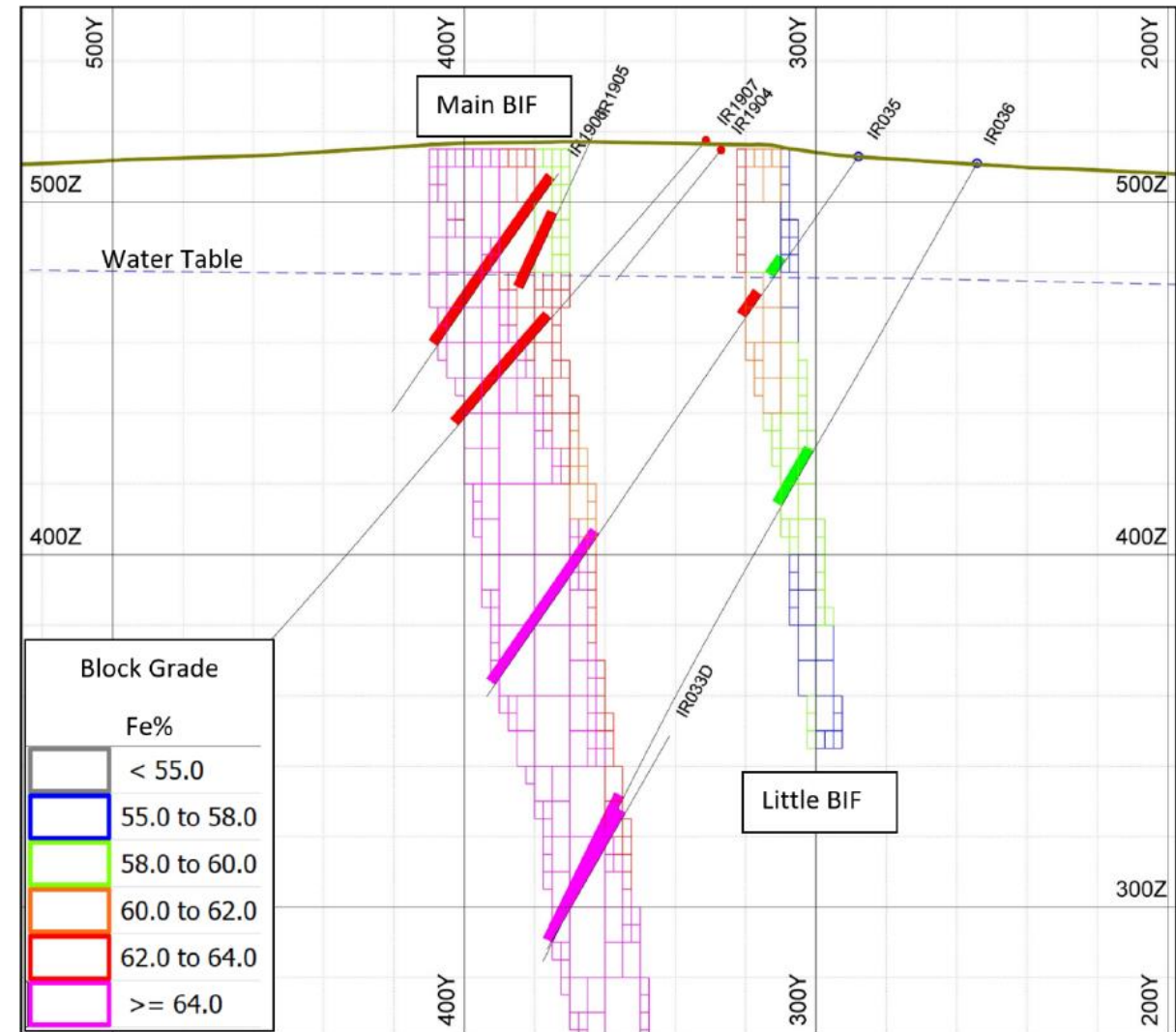
² Refer ASX release from Fenix Resources Ltd (FEX) dated 4 November 2019.

Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Simple Geology & Standard Open Pit Mining

For personal use only

- Mineralisation at Iron Ridge starts at surface and plunges gently to the south-west along strike with mineralisation continuing to a depth of up to 230m below surface. Current optimised open pit goes to a maximum depth of 155m
- Consistent high grades recorded in the main BIF after 20-40m hard cap mineralisation (minor elevated alumina)
- Feasibility assumes a single open pit operation using conventional excavator-truck mining fleet, adopting 10m benches and mining these benches in 3 flitches
- Ore and waste will be hauled to the ROM pad and waste dump respectively by a fleet of 100 tonne haul trucks
- Drill and blast will be conducted using a top hammer drill rig and ANFO or heavy ANFO explosives
- The Feasibility Study determined that over the 6.5 year LOM, ~8 million tonnes of high-grade hematite grading approximately 64% Fe will be extracted

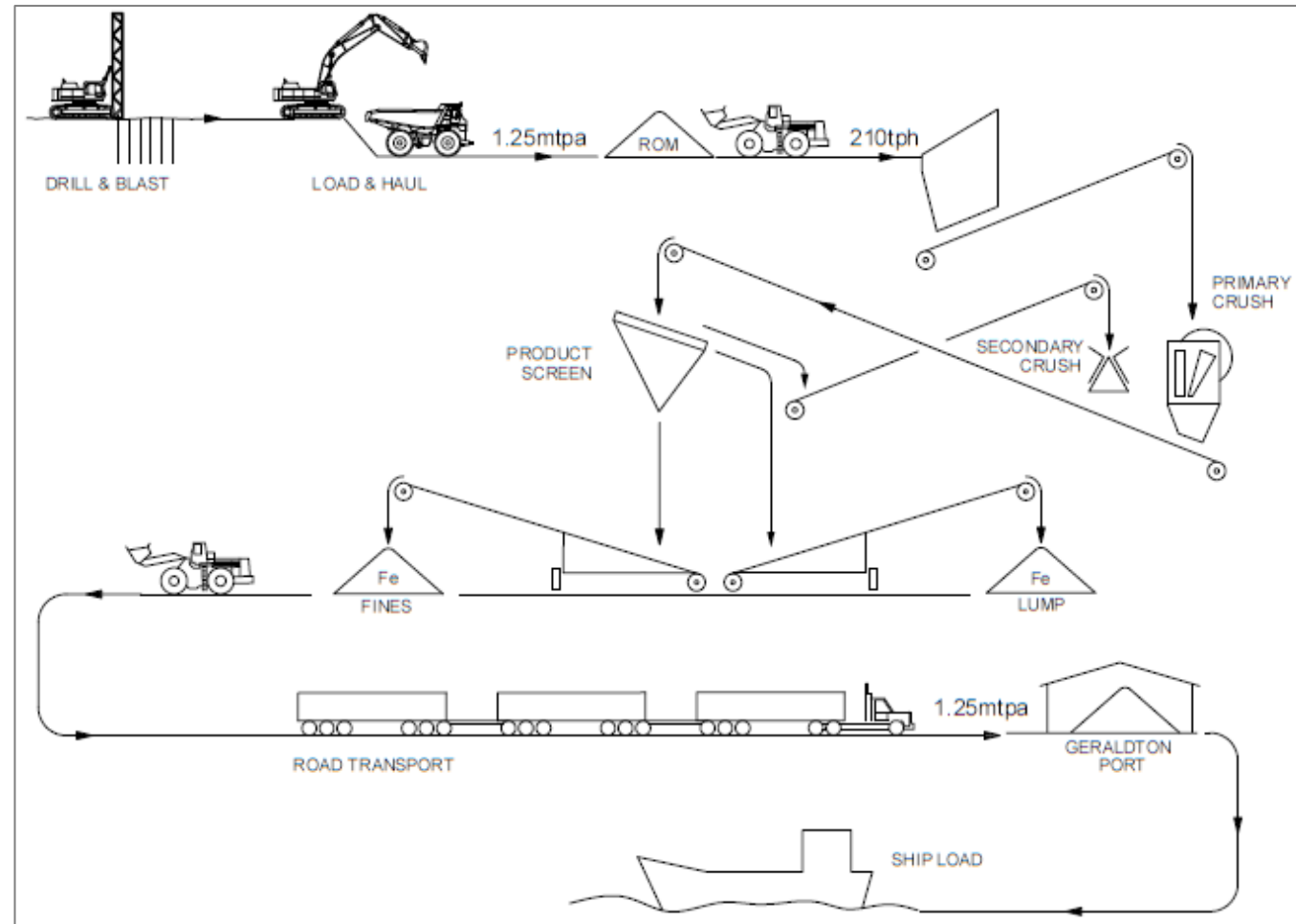
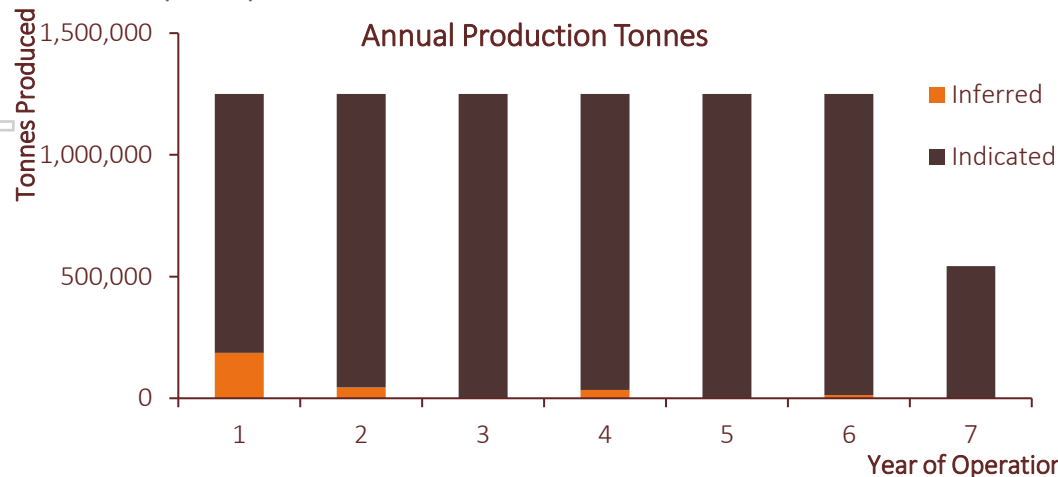


Uncomplicated Processing of Premium DSO



For personal use only

- Low deleterious elements, well within acceptable limits
- No beneficiation is required, simple DSO material
- Anticipated to produce premium >65% Fe lump and >63% Fe fines products at 25-30% lump ratio over the life-of-mine
- Processing plant is mobile, modular and consists of:
 - two-stage crushing circuit (primary and secondary crushing)
 - multi-deck screen to separate the lump and fines product into distinct stockpiles for road transport to export port



Established Infrastructure Path



Low Capex contract mining & trucking concept facilitated by key project characteristics

Good Roads

Sealed highway runs within ~15km of project. 490km (by road) to Geraldton Port

Trucking Joint Venture

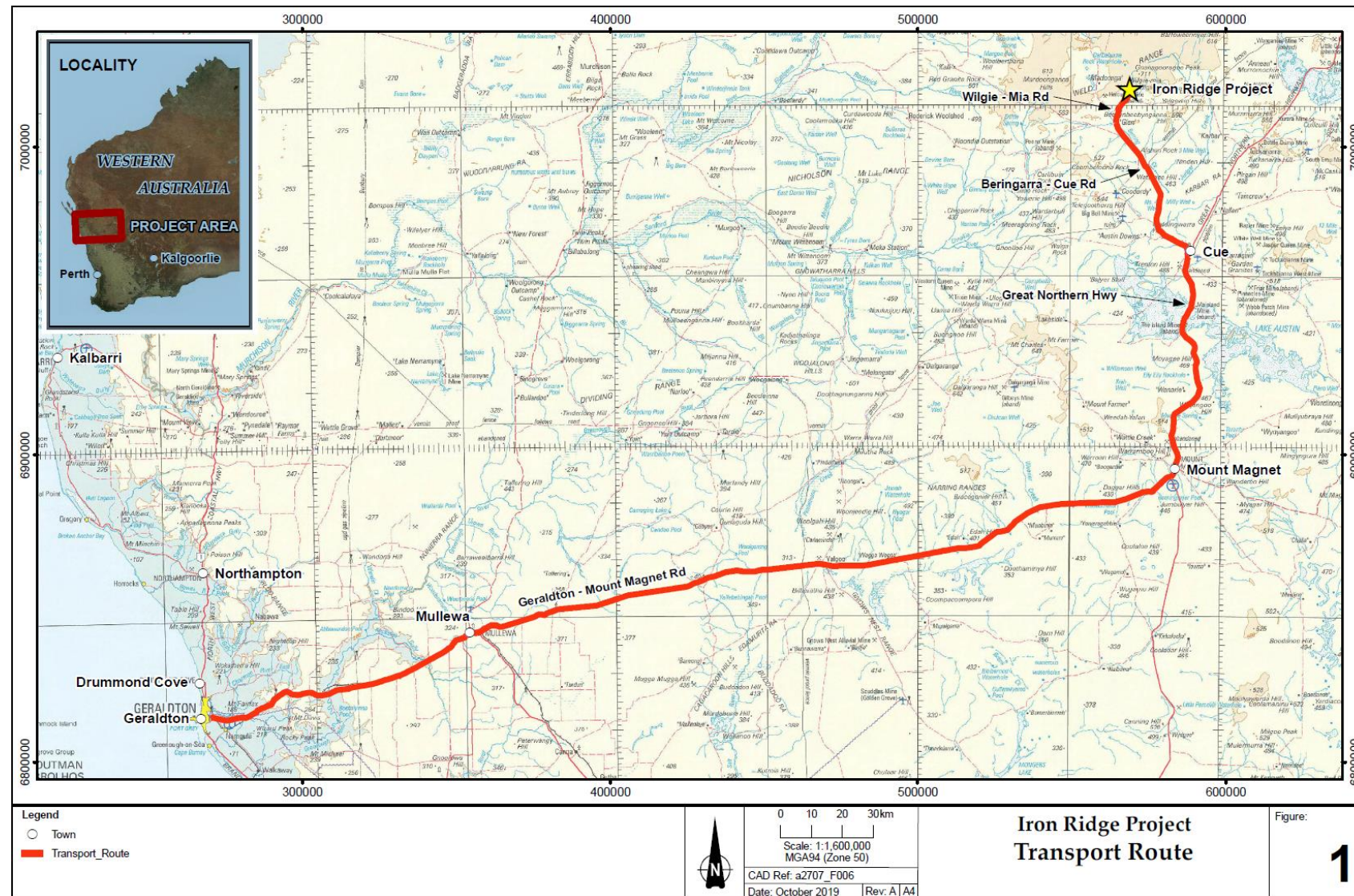
Fenix formed a strategic alliance, via a 50/50 JVC, with Newhaul Pty Ltd in May 2019. Importantly the alliance provides trucking services to the Project; and Introduces the expertise of Craig Mitchell – founder and former owner of transport and logistics provider Mitchell Corp

Port Capacity

Substantial spare port capacity and dedicated bulk iron ore ship loading facility at Geraldton Port currently under-utilised

Joint Cooperation Agreement

Fenix has entered into a Joint Cooperation agreement with the manager of Geraldton Port, the Mid West Ports Authority, relating to the provision of Port Access, Capacity Reservation, Handling Services; and product export contracts



Feasibility Study Highlights



The Feasibility Study ("FS"), released on 4 November 2019, reveals a high-grade and high-quality Project that provides strong returns over a moderate mine life

Initial
Capex
\$11.9m

C1 Cash
Costs
\$76.86/dmt

6.5 Year
LOM

Average
Annual
EBITDA
\$16.4m

NPV₁₀
\$54.3m

IRR
59%

Operating Metric	Unit	Feasibility Study
Processing Capacity	Mtpa	1.25
Average Strip Ratio	Waste:ore	2.86:1
Total Mineral Inventory	Mt	8.0
Initial Mine Life	Months	77
Average C1 Cash costs	A\$/dmt	76.86
Ore Reserve	Mt	7.76
Reserve Grade	%	63.9
Financial Metrics		
Project Life of Mine Revenue (FOB)	A\$m	802.9
Project net cash flow	A\$m	110.4
Estimated C1 cash operating cost	A\$/dmt	76.86
Pre-Production Capex inc. contingency	A\$m	11.9
NPV ₁₀	\$m	54.3
IRR	%	58.9
Annual Average EBITDA	\$m	16.4
Assumptions		
Exchange Rate	A\$:US\$	0.70
62% Fe index price	US\$/dmt	78.00
62% Fe index price	A\$/dmt	111.43
Diesel Price	A\$/L	\$1.34

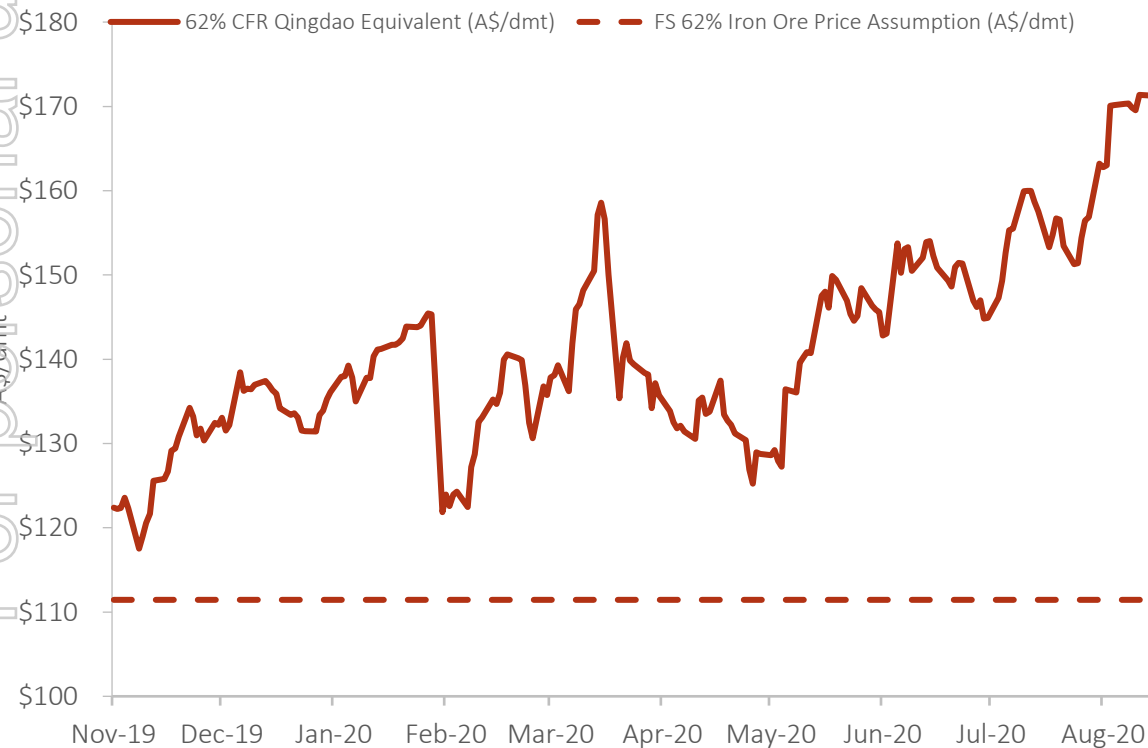
Improving Macroeconomic Factors



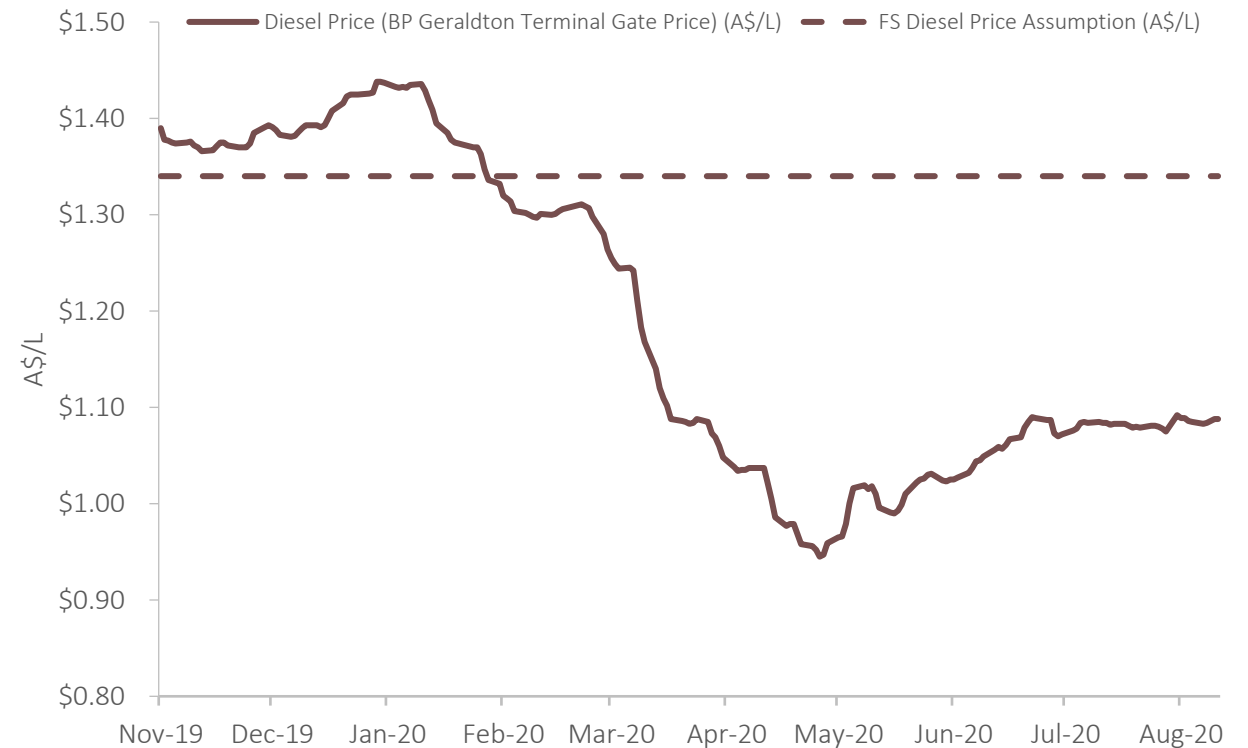
Since the announcement of the Feasibility Study on 4 November 2019, both the A\$ index iron ore price and diesel price have moved materially in favour of the Iron Ridge Project economics

	Feasibility Study Assumptions	Current Spot Price (17 August 2020)	Variance (%)
62% Fe index price (US\$)	\$78.00	\$122.90	57.56%
62% Fe index price (A\$)	\$111.43	\$171.29	53.72%
Diesel Price (A\$/L)	\$1.34	\$1.09	-18.81%

Iron Ore Price Compared to Feasibility Study



Diesel Price Compared to Feasibility Study



For personal use only

Capital & Operating Expenses



Capex

Capital Cost (A\$m)	Pre Start-up Capital Cost	Commercial Production Cost	Initial Capex	Year 1 Capital Cost	Total Capex
Roads	2.76	-	2.76	1.89	4.65
Infrastructure Pads	0.33	-	0.33	-	0.33
Contractor Mobilisations	-	0.99	0.99	0.50	1.49
Mine Site Infrastructure	1.20	3.88	5.08	-	5.08
Owners Site Costs	0.79	0.21	1.00	0.43	1.43
Contingency	0.39	0.13	0.52	0.18	0.70
Total Project Development Capex	5.46	5.20	10.67	3.00	13.67
Haulage JV Contribution	1.25	-	1.25	-	1.25
Total Capex	6.71	5.20	11.92	3.00	14.92

- Initial capex to establish the operation is estimated at \$11.9 million, including:
 - \$0.52 million in contingencies
 - \$1.25 million of total contributions to the Fenix Newhaul road transport joint venture
- Approximately 44% of the estimated capex is not payable until commercial production
- A further \$3 million of capex to be spent in year one of the project mostly in Q4

Opex

Operating Cost (A\$/dmt)	LOM Average Cost
Mining & Processing	20.87
Road Haulage	43.27
Port storage, handling & ship loading	9.27
Corporate & administration	3.45
C1 Operating Cash Costs (FOB)	76.86
Royalties	9.24
Cash Costs (FOB)	86.10

- C1 Operating Costs are comprised of:
 - 56.3% road transport costs
 - 27.1% to mine and processing
 - 12.1% to port costs
 - 4.5% to corporate and administration

~21 Months of Successful Project Development



From acquiring Iron Ridge in November 2018, Fenix has rapidly developed the Project including two Mineral Resource Upgrades, delivering a successful Feasibility Study, executing a Native Title agreement and obtaining approval of the Mining Proposal

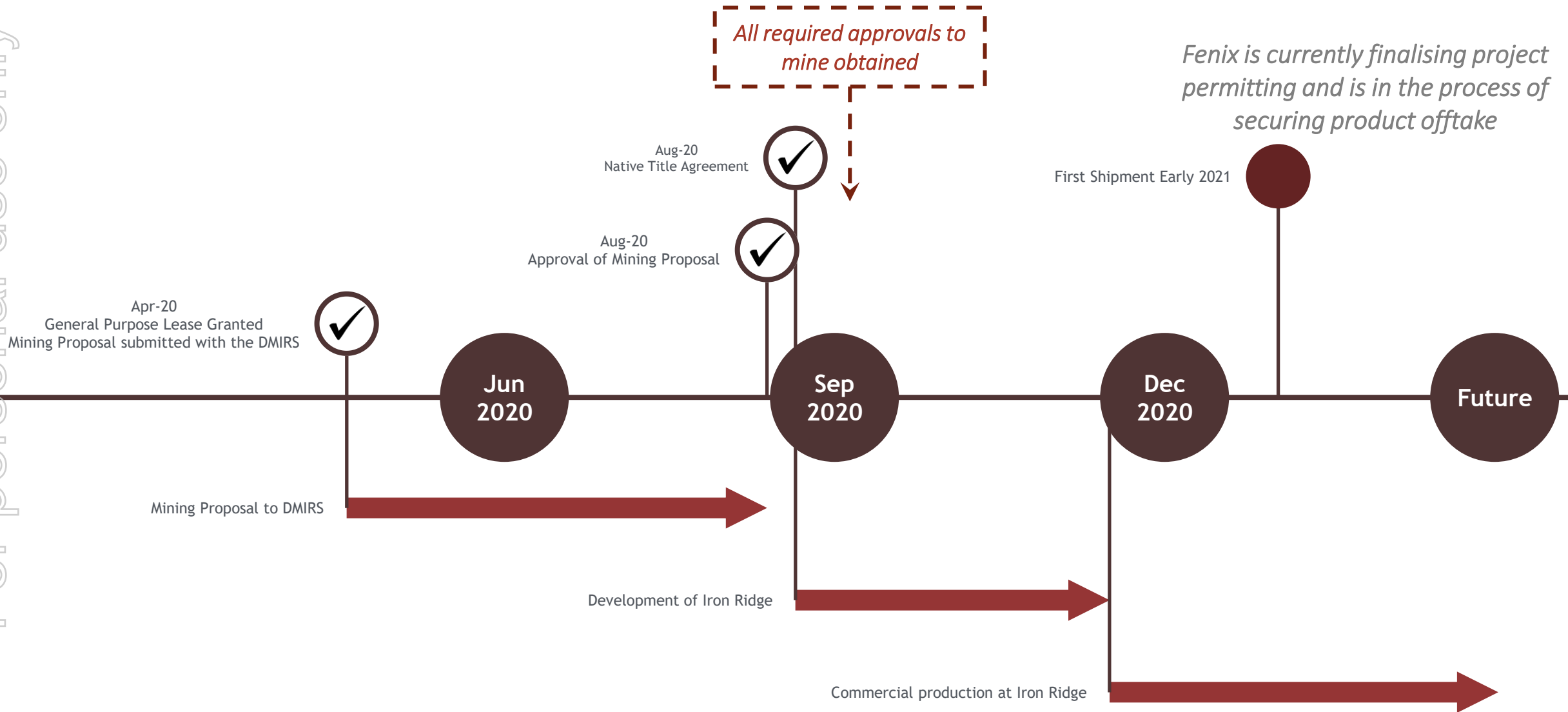
✓ Iron Ridge acquisition finalised	November 2018
✓ Mineral Resource upgrade 1	March 2019
✓ Strategic Road Transport Alliance formed	May 2019
✓ Joint cooperation agreement with Mid West Ports	May 2019
✓ Mineral Resource upgrade 2	August 2019
✓ Feasibility Study completed	November 2019
✓ Ore Reserves declared	November 2019
✓ All tenure required for project start-up granted	April 2020
✓ Mining proposal submitted	April 2020
✓ Mining proposal approved	August 2020
✓ Native Title Agreement executed	August 2020

For personal use only

2020 Project Development Progress and Target Timeline



For personal use only



*Timeline based on Fenix current expectations with respect to the Iron Ridge Project development and may be subject to change

For personal use only

Ideally placed to generate value from a high quality project



Aim to supply premium-grade products to the steel industry



Iron Ridge is our foundation asset, it hosts a high-grade Mineral Resource of 10.5Mt @ 64.2% Fe



Focused management and Board of Directors with industry specific and corporate experience



Plan to commercialise Iron Ridge and build a trusted customer base



Target acquisitions leveraging synergies with Iron Ridge

The Next Australian High-Grade Iron Ore Miner

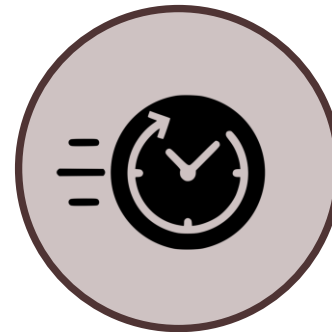
Fenix Resources is Rapidly Developing its High-Grade Iron Ridge Project



High-Grade 64.2% Iron Ore Resource



Very Low Upfront Capex



Rapid Time to First Shipment



World Class WA Mining Jurisdiction

Annexures

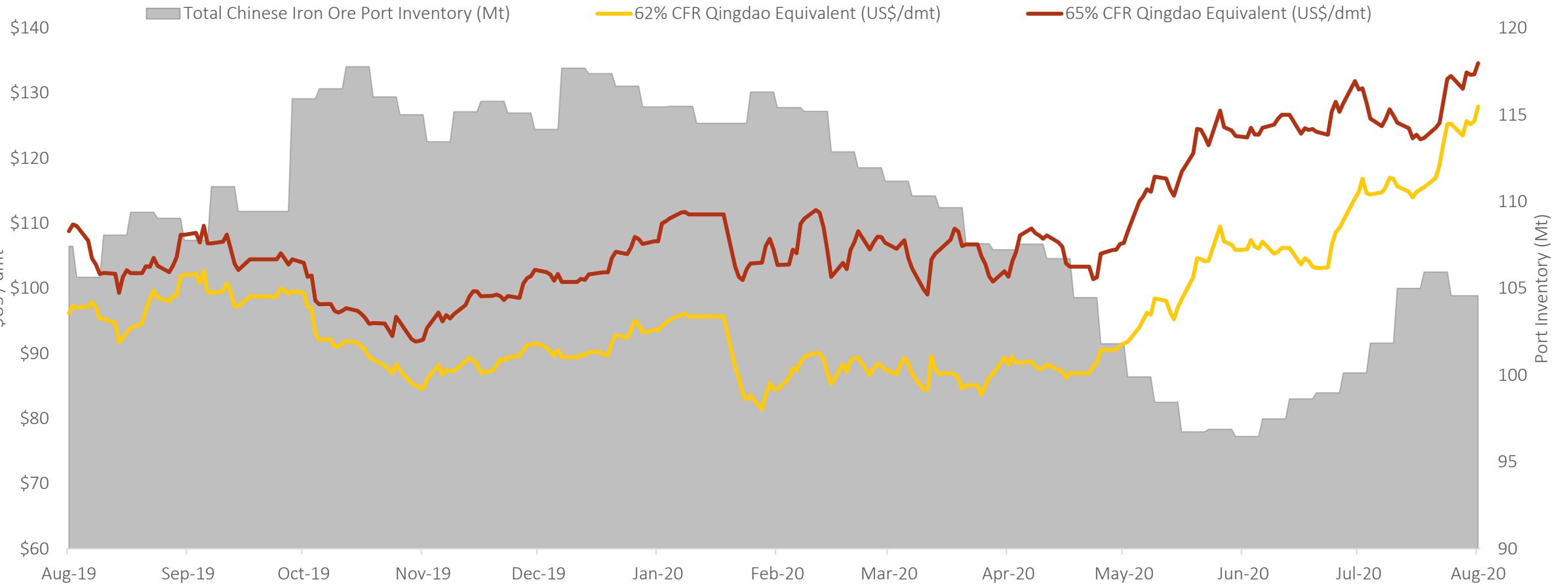
Iron Ore Pricing



Iron Ridge production attracts a premium Iron Ore price given its excellent quality

For personal use only

Iron Ore Price (CFR Qingdao)



Source: Bloomberg

Mineral Resource & Ore Reserve



- For personal use only
- ✓ Resource update in August 2019 delivered a significant increase in overall Resource confidence, with the Indicated Mineral Resource increasing by 51%
 - ✓ High grade overall Resource of 10.5Mt @ 64.2% Fe
 - ✓ Main BIF higher grade
 - ✓ Indicated portion = 10Mt @ 64.3% Fe
 - ✓ Strong proportion of Indicated Resource (>95%) that supports FS
 - ✓ Low to acceptable impurities
 - ✓ Maiden Ore Reserves declared in November 2019 of 7.76Mt @ 63.9% Fe, representing conversion ratio of ~78% of Indicated Resource to Ore Reserve

	Tonnes	Fe	Al ₂ O ₃	LOI	P	SiO ₂	TiO ₂
	Mt	%	%	%	%	%	%
Indicated	10	64.3	2.56	1.9	0.046	3.21	0.09
Inferred	0.5	62.5	2.8	3.13	0.046	4.41	0.12
Total Mineral Resource	10.5	64.2	2.57	1.96	0.046	3.26	0.09
Probable	7.76	63.9	2.79	2.00	0.05	3.46	0.09
Total Ore Reserve	7.76	63.9	2.79	2.00	0.05	3.46	0.09

For personal use only



FENIX RESOURCES LIMITED

Contact

Rob Brierley

Managing Director

rob@fenixresources.com.au