28 August 2025

Fenix Resources Ltd (FEX) BUY Share Price: A$0.32

Increasing leverage to iron ore Target Price: A$0.40

FY25 was a transformational year with FEX pivoting from a single mine (Iron Ridge) to a multi-site operation (Iron Ridge, Shine, Beebyn-W11, Fig. 1) and sales increasing by 64% from 1.46Mt in FY24 to 2.4Mt in FY25. Reflecting FEX's confidence in its expanded mining and logistics capacity, FEX has provided sales guidance for the first time, guiding to between 4.0Mt and 4.4Mt for FY26F. While the iron ore price has been a headwind (Index 62% Fe iron ore price down US$18/t YoY), the bigger sales multiple gives FEX significantly increased leverage to the iron ore price environment. Our base case valuation of A$0.40/sh (unchanged) is predicated on an Index price of US$90/t. At spot prices of US$102.95/t, our valuation jumps to A$0.61/sh.

FY25 results – strong performance

- Revenue of A$316m (PCe A$331m) up 22% YoY with a 64% YoY increase in iron ore sales to 2.4Mt offset by a 25% fall in ARP to A$146/dmt (FY24: A$193/dmt).
- EBITDA of A$54m (PCe A$41m) and positive operating cashflow of A$72m, supported a capex intensive year (capex A$64m vs A$40m in FY24) while maintaining a healthy A$56.8m closing cash position.
- Final fully franked dividend of 1¢ per share declared (PCe 1¢), equating to a total dividend payment of approximately A$7.4m (137% of NPAT), demonstrating Board confidence in the B/S and earnings trajectory.
- FY26 Guidance: Targeting total iron ore sales of 4.0 to 4.4Mt at a C1 cost of A$70-A$80/wmt FOB Geraldton.

TP sensitivity to the iron ore price

- Our NPV_8-derived valuation of A$0.40/sh assumes an iron ore price of US$90/t from CY 2026. (Fig. 2).
- A ±10% change in the iron ore price impacts our target price by ±40%; at constant spot iron ore prices of US$102.95/t, our target price lifts to A$0.61/sh (Fig. 3).

Executive Growth Incentive Plan – signals growth

- We note a separate Executive Growth Incentive Plan announcement which sees up to 30m performance shares in total awarded each to FEX Executive Chair John Welborn and Non-Executive Director Craig Mitchell if FEX's share price hits A$0.60/sh (10m shares), A$0.80/sh (10m shares), and A$1.00/sh (10m shares) milestones, with expiry 5yrs from issue date.
- We believe this incentive package sends a strong signal to the market that plans are in place to double (at least) output from the current +4Mtpa. The most likely growth path: Sinosteel's ~300Mt Resource in the Weld Range.

Key Dates Ahead

- Dec. Q'25 - Sinosteel Weld Range update.
- Dec. Q'25 – Beebyn-W11 ramp up

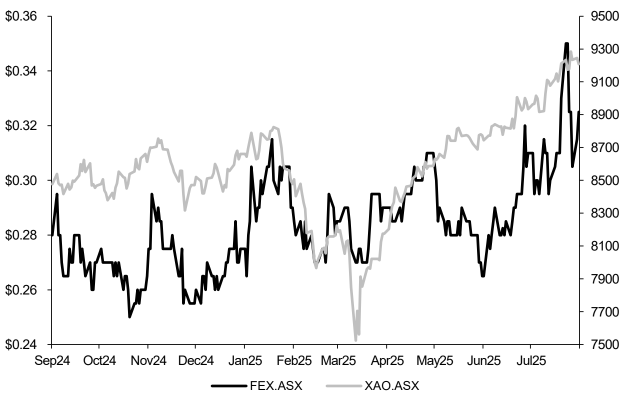
Company Data

Shares – ordinary (M)	744.1
Rights/options (M)	49.6
Diluted for rights/options (M)	794
Market capitalisation ($M)	238
12 month low/high ($)	0.24/ 0.36
Average monthly turnover ($M)	17.9
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End June	FY25A	FY26F	FY27F	FY28F	FY29F
Revenue ($M)	316.1	562.0	427.5	327.7	325.7
Costs ($M)	-262.5	-474.3	-383.8	-304.7	-303.1
EBITDA ($M)	53.6	87.7	43.7	23.0	22.5
NPAT ($M)	5.4	34.9	11.8	8.0	7.4
EPS (¢ps)	0.7	4.7	1.6	1.1	1.0
EPS growth (%)	-50%	534%	-66%	-32%	-7%
PER (x)	43.2	6.8	20.2	29.7	32.0
Op. Cashflow ($M)	67.2	65.7	33.3	15.6	19.3
OCFPS (¢ps)	9.2	8.8	4.5	2.1	2.6
POCFPS (x)	3.5	3.6	7.1	15.3	12.4
Enterprise Value ($M)	264	228	225	236	241
EV / EBITDA (x)	4.9	2.6	5.1	10.2	10.7
Payout ratio (%)	135%	27%	95%	162%	200%
Dividends (¢ps)	1.0	1.25	1.5	1.75	2.0
Yield (%)	3%	3.9%	4.7%	5.5%	6.3%
Franking (%)	100%	100%	100%	100%	100%

FEX – performance over one year



Disclosure and Disclaimer
This report must be read with the disclosure and disclaimer on the final page of this document.

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Analysis

Fenix Resources (FEX)

Year End June

Share price (A$)	0.320	
Issued Shares (m)	744	
Market Cap (A$m)	238	
Options/Rights (m)	49.6	(incl. 12.5m Options @ A$0.30/sh to MGX)
Dilution (m)	0	
Fully Diluted no. of Shares (m)	794	

P&L Statement (A$M)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
Revenue	316.1	562.0	427.5	327.7	325.7	323.7
Costs	(262.5)	(474.3)	(383.8)	(304.7)	(303.1)	(301.6)
EBITDA	**53.6**	**87.7**	**43.7**	**23.0**	**22.5**	**22.0**
Depreciation & Amortisation	(44.8)	(35.0)	(25.0)	(10.0)	(10.0)	(10.0)
Operating profit	**8.7**	**52.7**	**18.7**	**13.0**	**12.5**	**12.0**
NOI	2.4	0.0	0.0	0.0	0.0	0.0
EBIT	**11**	**53**	**19**	**13**	**13**	**12**
Interest income	1.4	1.7	3.0	3.3	3.0	2.9
Interest expense	(4.3)	(4.5)	(4.9)	(4.9)	(4.9)	(4.9)
Tax expense	(2.8)	(15.0)	(5.1)	(3.4)	(3.2)	(3.0)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Reported NPAT	**5.4**	**34.9**	**11.8**	**8.0**	**7.4**	**7.0**
EPS Reported (A$c)	0.7	4.7	1.6	1.1	1.0	0.9
DPS - Declared (A$c)	1.0	1.25	1.5	1.75	2.0	2.0
Avg. no. of shares (m)	728	744	744	744	744	744
YE no. of shares (m)	744	744	744	744	744	744

Cash Flow Statement (A$M)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
EBITDA	53.6	87.7	43.7	23.0	22.5	22.0
Investment in working capital	19.8	(7.1)	(5.4)	(4.0)	(0.1)	(0.1)
Tax expense	(6.1)	(15.0)	(5.1)	(3.4)	(3.2)	(3.0)
Operating Cash Flow	**67.2**	**65.7**	**33.3**	**15.6**	**19.3**	**19.0**
Capex (growth)	(60)	(15)	(15)	(10)	(5)	(2)
Capex (sustaining)	(2)	(2)	(2)	(2)	(2)	(2)
Exploration/development	(2)	(2)	(2)	(2)	(2)	(2)
Investing Cash Flow	**(64)**	**(19)**	**(19)**	**(14)**	**(9)**	**(6)**
Net interest received / (paid)	(2.9)	(2.8)	(1.9)	(1.6)	(1.9)	(2.0)
Debt drawdown / (repayment)	41.1	7.5	7.5	0.0	0.0	0.0
Dividends	0.0	(7.4)	(9.3)	(11.2)	(13.0)	(14.9)
Equity raised / (repaid)	6.0	0.0	0.0	0.0	0.0	0.0
Financing Cash Flow	**44.2**	**(2.8)**	**(3.7)**	**(13)**	**(15)**	**(16.9)**
Minority interest / Other	(67.4)	0.0	0.0	0.0	0.0	0.0
Inc/(Dec) in Cash	**(20.2)**	**43.9**	**10.6**	**(11.1)**	**(4.7)**	**(4.0)**

Balance Sheet (A$M)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
Cash & Equivalents	56.8	100.7	111.4	100.2	95.6	91.6
Receivables	8.5	11.2	8.6	6.6	6.5	6.5
Inventories	43.1	22.5	17.1	13.1	13.0	12.9
Other Current Assets	2.9	2.9	2.9	2.9	2.9	2.9
PPE and Explo/Dev.	222	206	200	204	203	199
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	30.7	30.7	30.7	30.7	30.7	30.7
Total Assets	**364**	**375**	**371**	**358**	**352**	**344**
Payables and other CL	83.6	60.5	48.9	40.8	42.5	42.3
Short Term Debt / Lease Liabilities	25.9	28.4	30.9	30.9	30.9	30.9
Long Term Debt/Lease Liabilities	57.0	62.0	67.0	67.0	67.0	67.0
Other Non Current Liabilities	12.1	12.1	12.1	12.1	12.1	12.1
Non-controlling interest (NCI)	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities incl NCI	178.7	163.1	159.0	150.9	152.5	152.3
Equity	186	211	212	207	200	192
Total Liabilities and Equity	**364**	**375**	**371**	**358**	**352**	**344**

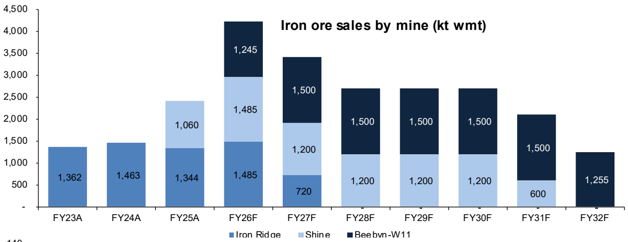
Ratios	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
P/E (x)	43.2	6.8	20.2	29.7	32.0	34.0
Debt/Equity	44.7%	42.8%	46.2%	47.3%	49.1%	51.1%
ROE (%)	2.9%	17.6%	5.6%	3.8%	3.7%	3.6%

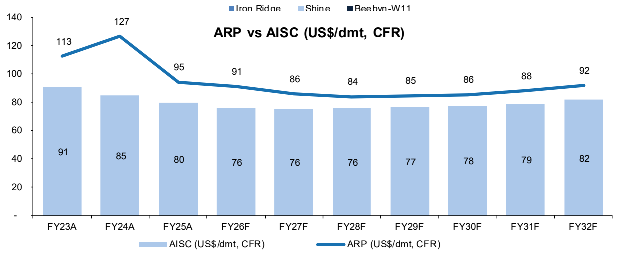
Iron ore price & FX	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
Iron ore (US$/dmt, 62% Fe, CFR)	102	95	90	90	90	90
ARP (US$/dmt, CFR)	**95**	**91**	**86**	**84**	**85**	**86**
FEX premium / (discount)	-7.0%	-3.7%	-4.4%	-6.4%	-5.6%	-4.8%
AUD:USD	0.65	0.65	0.65	0.66	0.67	0.68
FEX ARP (A$/dmt, CFR)	146	141	132	129	128	127

Iron ore shipped (k wmt)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
Group	**2,403**	**4,215**	**3,420**	**2,700**	**2,700**	**2,700**
…Iron Ridge	1,344	1,485	720	0	0	0
…Shine	1,060	1,485	1,200	1,200	1,200	1,200
…Beebyn-W11	0	1,245	1,500	1,500	1,500	1,500

Costs (A$/dmt, CFR)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
C1 costs	**77**	**77**	**78**	**77**	**77**	**77**
Shipping costs	28	23	23	23	23	22
Royalty costs	18	16	15	15	15	15
Sustaining capital	1	1	1	1	1	1
AISC	123	117	116	116	116	115

Unit margin (US$/dmt, CFR)	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
ARP (US$/dmt, CFR)	**95**	**91**	**86**	**84**	**85**	**86**
AISC (US$/dmt, CFR)	**80**	**76**	**76**	**76**	**77**	**78**
AISC margin (US$/dmt, CFR)	**15**	**15**	**10**	**8**	**8**	**8**
AISC margin (%)	15%	17%	12%	9%	9%	9%

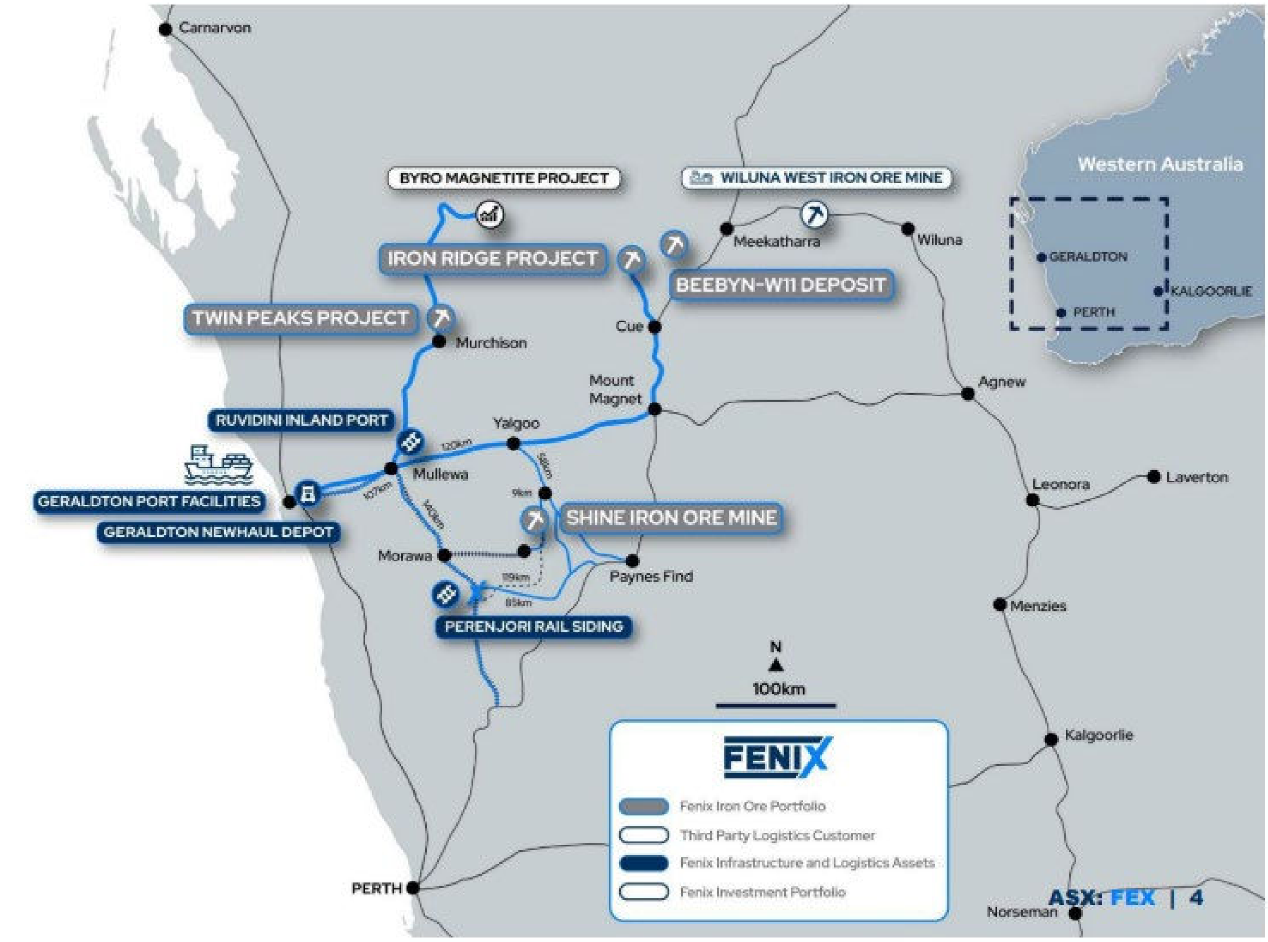




Valuation	(A$m)	(A$/sh)
Iron ore mine Inventory NPV8 (19.1M wmt)	115	0.15
Iron ore Resource outside of mine inventory (22M wmt)	50	0.07
Total Iron Ore Resource (41.1M wmt)	165	0.22
Port and Land and Rail assets	60	0.08
Trucks & Trailers	40	0.05
Third party haulage & logistics contracts	0	0.00
Investments (37% of Anthena (ASX:AHN))	5.9	0.01
Corporate	(35)	(0.05)
Hedge book NPV8	2.0	0.00
Enterprise value	287	0.39
Net cash / (debt) (FY26F)	10	0.01
Equity value	**298**	**0.40**

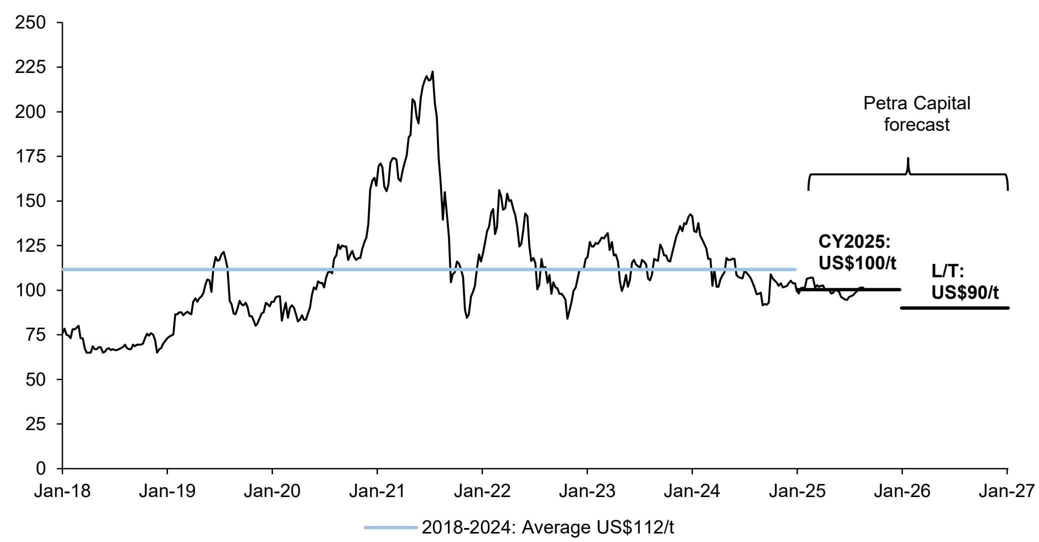
Source: Petra Capital

Figure 1: FEX's mining and logistics assets in the Mid-West region of Western Australia



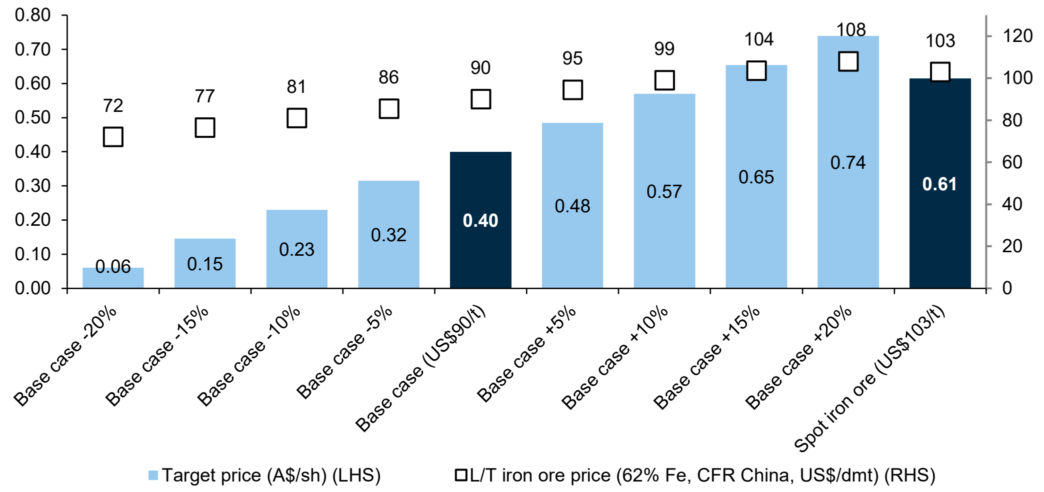
Source: Company

Figure 2: Benchmark iron ore price 2018-present (62% Fe, CFR China US$/t) & Petra forecast



Source: Iress, Petra Capital forecasts

Figure 3: Target price sensitivity to the benchmark iron ore price



Source: Petra Capital forecasts

Summary of Changes

Changes to our operational forecasts and valuation include:

- Modelling updated for FY25A Financials.
- FY26F revenue increased due to higher sales iron ore volumes of 4.2Mt (prev. 3.9Mt).
- EBIT in FY26F and FY27F impacted by upwardly revised depreciation.
- FY26F sales revised up to 4.2Mt (prev. 3.9Mt) at the mid-point of FY26F guided sales of 4-4.4Mt.
- FY26F AISC unchanged at A$117/dmt.
- We have increased the valuation for aggregate fleet and haulage infrastructure and port/rail assets to A$100m (prev. A$70m). Note: the net book value of these assets at end June 2025 is A$160m (vs. A$113m at end December 2024)
- TP unchanged at A$0.40/sh after rounding.

Figure 4: Summary of Changes (FY26F-FY28F)

		FY26F			FY27F			FY28F		
		New	**Old**	**% var**	**New**	**Old**	**% var**	**New**	**Old**	**% var**
Revenue	A$m	562.0	526.5	6.7%	427.5	424.8	1%	328	328	0%
EBITDA	A$m	87.7	82.2	6.8%	43.7	43.2	1%	23.0	23.0	0%
EBIT	A$m	52.7	52.2	1.1%	18.7	23.2	-19%	13.0	13.0	0%
NPAT	A$m	34.9	34.7	0.7%	11.8	15.6	-24%	8.0	9.2	-13%
EPS	A$c/sh	4.7	4.7	0.3%	1.6	2.1	-25%	1.1	1.2	-13%
DPS	A$c/sh	1.25	1.2	4%	1.5	1.5	0%	1.75	1.6	12%
Valuation	A$m	**298**	**299**	**-0.5%**						
Price target	A$/sh	**0.40**	**0.40**	**-0.9%**						
Iron ore sales	k wmt	4,215	3,945	6.8%	3,420	3,400	1%	2,700	2,700	0%
China 62% Fe (CFR)	US$/dmt	95	95	0.0%	90	90	0%	90	90	0%
AUDUSD	#	0.65	0.65	0.0%	0.65	0.65	0%	0.655	0.655	0%
ARP (CFR)	US$/dmt	91.5	91.8	-0.4%	86	86	0%	84	84	0%
ARP (CFR)	**A$/dmt**	**141**	**141**	**-0.4%**	**132**	**132**	**0%**	**129**	**129**	**0%**
AISC (CFR)	A$/dmt	117	117	0.0%	116	116	0%	116	116	0%

Source: Petra Capital forecasts.

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