04 August 2025

Beebyn-W11 and Beyond

NEED TO KNOW

- June quarter (4QFY25) – consistent delivery from Iron Ridge
- Iron Ridge and Shine costs down substantially
- Beebyn-W11 – mining commences, more to come from Weld Range

4QFY25 – a nice step down in costs at Iron Ridge and Shine: Consistent production and a reduction in C1 costs for the second consecutive quarter were highlights for Iron Ridge. Shine's second full quarter showed a substantial improvement in costs (A$51.8/t vs. A$77.9/t in the prior quarter), demonstrating a smooth ramp up. End-June cash was A$56.8m (March: A$54.9m), with additional capital spent on growth projects and repayment of equipment loans.

Beebyn-W11 commences mining, first shipment September-quarter 2025: Fenix's (FEX) third operating mine has commenced mining, and the haul road has been completed, with first shipment to occur in the September quarter. FEX will be producing at a rate of 4Mtpa in CY2025.

Looking beyond Beebyn-W11: Beebyn-W11's resource makes up a fraction of Sinosteel's 300Mt Weld Range resource, sitting adjacent to FEX's Iron Ridge deposit and containing comparable geology and iron ore grade. FEX is in discussions with Sinosteel on how to progress the development of the Weld Range, as the company is targeting becoming a 10Mtpa producer in the near term.

Investment Thesis

Growth projects enable immediate and long-term iron ore production increase; CY25 will see 4Mtpa; FY26 EV/EBITDA 1.1x: Iron Ridge's cash generation has set up FEX for growth. The restart of Shine at 1.2Mtpa provides lower-cost increased production and potential mine life extension. The partnership with Sinosteel at Beebyn-W11 could expose FEX to a further ~300Mt of iron ore resources and a significant increase in production and a longer-term mine life. Iron ore production will grow to 4Mtpa (from original 1.4Mtpa or 185%) by the end of CY25. We expect FY26 will see a substantial increase in cash flow generation. FEX is trading on attractive FY26 multiples (EV/EBITDA – 1.1x; P/E – 2.8x), setting the stock up for a significant rerating.

Logistics and infrastructure strength underpin FEX's high-margin operations, growth, solutions for regional players: Logistics, rail and port infrastructure support a high-margin iron ore business with capacity to handle significant growth in FEX's iron ore business. The logistics also provide FEX with potential exposure to other high-value commodities and sources of further cash generation. Many projects in the Mid-West region will need logistics and infrastructure services to unlock their projects.

Valuation A$0.76 Per Share (Previous A$0.79) and Risks

Our valuation is a 50:50 blend of DCF and EV/EBITDA, and suggests significant upside potential from the current share price. We see a further potential increase in our valuation through an agreement with Sinosteel for access to the 300Mt Weld Range resource which would allow FEX to increase production and mine life significantly. Key risks include iron ore prices, Iron Ridge and Shine performance, lack of a Sinosteel agreement and project and cost inflation.

Equity Research Australia
Materials

Michael Bentley, Senior Analyst
michael.bentley@mstaccess.com.au

Fenix Resources is a high-grade, high-margin iron ore producer with assets 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 operation located approximately 360km northeast of Geraldton. The mine hosts some of the highest-grade iron ore in Western Australia. www.fenixresources.com.au

Valuation	**A$0.760** *(from A$0.790)*
Current price	**A$0.295**
Market cap	**A$219m**
Cash on hand	**A$56.8m** *(30 June 25)*

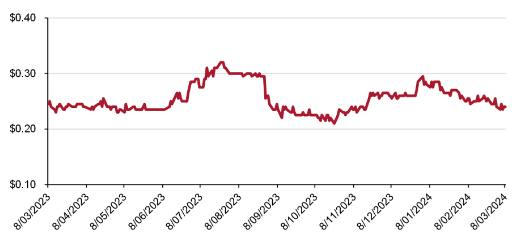
Additional Resources

Video: Catch up with John Welborn

Upcoming Catalysts / Next News

Period	
2HCY25	Beebyn-W11 first shipment
2HCY25	4Mtpa production rate achieved
2HCY25	Potential Sinosteel expansion agreement

Share Price (A$)



Source: FactSet, MST Access.

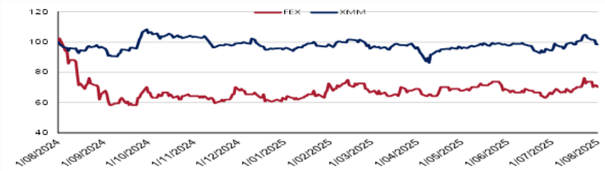
Figure 1: Financial summary, FEX (June year-end)

Fenix Limited FEX.AX

Year end 30 June

MARKET DATA		
Share Price	A$/sh	0.295
52 Week Low	A$/sh	0.24
52 Week High	A$/sh	0.43
Market Cap (A$m)	A$m	219
Net Debt / (Cash) (A$m)	A$m	(55)
Enterprise Value (A$m)	A$m	164
Shares on Issue (basic)	m	741
Performance rights and options	m	44
Potential shares on issue (diluted)	m	786

12-Month Relative Performance vs S&P/ASX Metals & Mining



INVESTMENT FUNDAMENTALS		FY23A	FY24A	FY25E	FY26E	FY27E
Reported NPAT	A$m	29	34	16	81	73
Underlying NPAT	A$m	28	34	16	81	73
Underlying EPS	¢ps	5.1	4.9	2.3	11.0	9.8
EPS Reported	¢ps	4.6	4.8	2.2	11.0	9.8
P/E Reported	x	5.8	6.1	12.8	2.7	3.0
P/E Underlying	x	6.4	6.1	13.3	2.7	3.0
Price / Operating Cash Flow	x	11.5	2.9	3.8	1.8	2.0
Dividend per share	¢ps	2.0	0.0	0.0	6.0	6.0
Free Cash Flow / Share	A$	0.00	0.04	0.01	0.09	0.13
Price / Free Cash Flow	x	73.9	6.8	27.9	3.4	2.2
Free Cash Flow Yield	%	1.4	14.7	n/m	29.7	45.5
Book Value / Share	A$	0.20	0.24	0.25	0.36	0.40
Price / Book	x	1.50	1.23	1.17	0.82	0.74
NTA / Share	A$	0.20	0.24	0.25	0.36	0.40
Price / NTA	x	1.50	1.23	1.17	0.82	0.74
Year End Shares	m	634	695	741	741	741
Market Cap (spot)	A$m	187	205	219	219	219
Net Cash / (Debt)	A$m	76	77	57	122	177
Enterprise Value	A$m	111	128	162	97	41
EV / EBITDA	x	3.1x	2.2x	2.7x	1.0x	1.2x
Net Debt / Enterprise Value		(0.5)	(0.5)	(0.3)	(0.7)	(1.1)

PRODUCTION AND PRICING		FY23A	FY24A	FY25E	FY26E	FY27E
Iron ore						
Ore shipped - Iron Ridge	kwmt	1,362	1,463	1,344	1,400	1,400
FOB cash cost	A$/t	81.5	77.9	76.2	67.3	67.6
Ore shipped - Beebyn & Shine	kwmt	-	-	1,060	2,350	2,100
FOB cash cost	A$/t	-	-	68.5	70.7	75.2
Realised price (CFR)	US$/t	112.7	126.9	106.6	114.4	115.5
Logistics						
Haulage volumes	kwmt	-	59	0	2,400	2,625
Shipped volumes	kwmt	-	1,813	424	2,400	2,500
Margin per tonne	A$/t	n.a.	3.5	2.6	6.8	6.2

Profit & Loss (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	197	259	328	705	647
Expenses	(144)	(186)	(267)	(549)	(511)
EBITDA	**53**	**73**	**61**	**156**	**136**
D&A	(15)	(24)	(36)	(40)	(34)
EBIT	**38**	**49**	**25**	**116**	**102**
Interest	(0)	(0)	(1)	0	2
Tax	(9)	(15)	(8)	(35)	(31)
Underlying NPAT	**28**	**34**	**16**	**81**	**73**
Reported Profit	**29**	**34**	**16**	**81**	**73**
Net Profit Before Tax	38	49	24	116	104

Balance Sheet (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	76	77	57	122	177
Receivables	16	23	23	23	23
Inventory	8	7	23	23	23
PP&E	85	142	179	196	169
Exploration	1	12	8	8	8
Other	0	5	11	11	11
Assets	**187**	**267**	**300**	**381**	**410**
Creditors	22	31	51	51	51
Debt	-	-	-	-	-
Other	40	69	63	63	63
Liabilities	**62**	**100**	**114**	**114**	**114**
Shareholder's Equity	**125**	**166**	**186**	**268**	**297**

Cashflow (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Receipts from Customers	193	259	327	705	647
Payments to suppliers and employees	(148)	(182)	(260)	(547)	(511)
Interest Received	1	2	1	0	2
Other	(30)	(10)	(11)	(37)	(31)
Net Cash From Operations	**16**	**70**	**57**	**121**	**107**
Capex	(4)	(20)	(47)	(56)	(7)
Exploration	(0)	(6)	(1)	-	-
Other	(10)	(14)	(2)	-	-
Net Cash From Investing	**(14)**	**(40)**	**(49)**	**(56)**	**(7)**
Equity	-	-	3	-	-
Borrowings	-	(15)	(31)	-	-
Dividend	(28)	(14)	(0)	-	(44)
Net Cash From Financing	**(28)**	**(29)**	**(28)**	**-**	**(44)**
Effects of FX	0	(1)	0	-	-
Net Increase / (Decrease) in Cash	**(25)**	**1**	**(20)**	**65**	**55**

Source: FEX, MST estimates.

June-Quarter 2025: Iron Ridge and Shine – Costs Down Again; Beebyn-W11 Commences Mining

4QFY25 was another consistent quarter for FEX's flagship asset, the Iron Ridge iron ore mine in the Mid-West region of Western Australia (WA). Iron ore production and sales were in line with MST estimates. Cost control at Iron Ridge remained a feature, with costs down 2.9% quarter on quarter following a ~7.5% reduction in the previous quarter. 4QFY25 was the second full quarter from Shine, FEX's second operating mine in the Mid-West region. Shine's operations showed significantly lower costs and a total of 8 shipments (vs. 6 last quarter), including 3 low-grade shipments. FEX's newest mine, Beebyn-W11, commenced mining in the quarter and will ship first ore in the September quarter.

Figure 2 shows FEX's consolidated production.

Figure 2: Comparing 4QFY25 actuals with MST estimates – consolidated production and financials

Production Summary	Units	4Q24	1Q25	2Q25	3Q25	4Q25		% difference vs.	
		Act	Act	Act	Act	Act	MSTe	QoQ	MSTe
Fenix Group									
Physicals									
Ore mined	kt	347	500	696	665	853	750	28%	14%
Ore produced	kt	367	394	702	851	753	750	(12%)	0%
Ore hauled	kt	363	426	604	712	806	750	13%	7%
Ore sold	kt	401	346	594	704	760	750	8%	1%
Lump proportion of sales	%	45%	45%	41%	52%	42%	48%	(19%)	(13%)
Third party shipments	kt	578	424	0	0	0	313	n.a.	(100%)
Financials									
C1 cash cost (FOB)	A$/wmt	78.8	82.7	75.9	75.9	59.5	72.2	(22%)	(18%)
Realised price (FOB)	A$/dmt	131.1	119.0	127.8	127.8	111.3	131.9	(13%)	(16%)
Margin (pre-QP & hedging)	A$/dmt	46.3	30.8	47.1	47.1	48.0	55.1	2%	(13%)
Platts 62% benchmark (CFR)	US$/dmt	111.8	99.7	103.0	103.6	97.8	105.0	(6%)	(7%)
Realised price (CFR)	US$/dmt	106.3	95.5	94.6	94.6	86.7	96.3	(8%)	(10%)
Realisation of benchmark	%	96%	92%	91%	91%	89%	92%	(3%)	(3%)

Source: FEX, MST estimates.

A detailed look at the quarter

Key feature of the quarter – cost control is FEX's strong suit

FEX has continually emphasised its capacity to control costs at its operations, with the change to 100% ownership of the logistics contributing substantially to its strong cost control.

The June quarter was a standout for FEX at the cost line, with Iron Ridge reducing its costs for a second consecutive quarter, as well as Shine bringing its cost level down substantially – below that of Iron Ridge due to its shorter haul distance to port.

Iron Ridge – costs improve for the second consecutive quarter

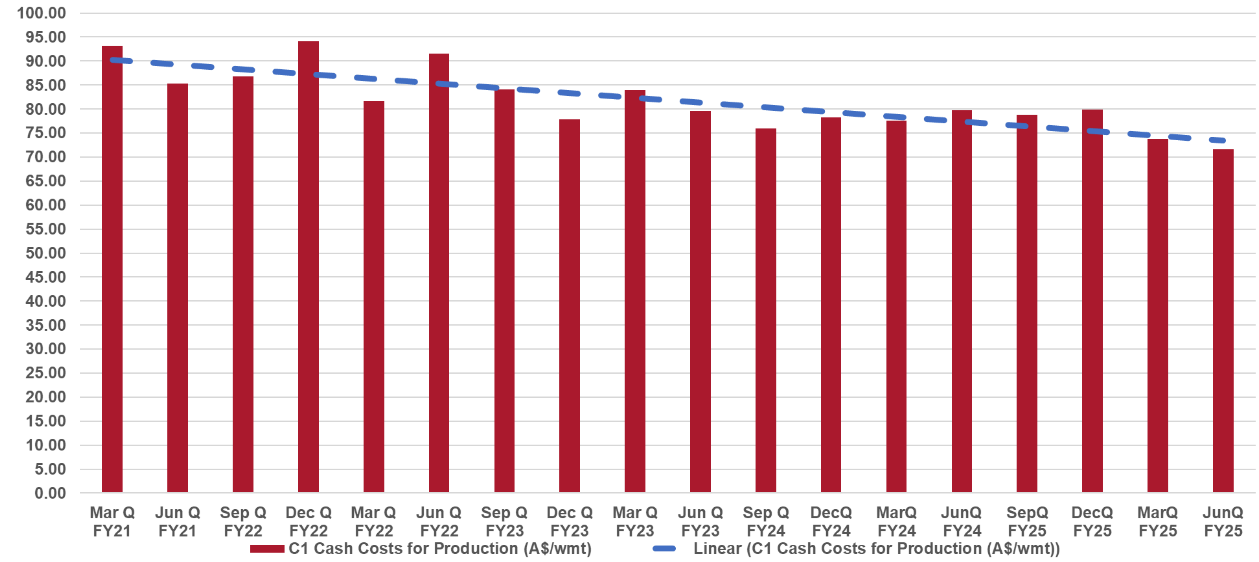
FEX has focused on keeping costs low and, over the life of the project, has demonstrated its ability to bring operating costs down (see Figure 3). June-quarter C1 costs were A$71.6/wmt compared with A$73.80/wmt (March quarter), A$79.90/wmt (December quarter) and A$78.80 (September quarter).

Shine – second full quarter sees costs go down further; more to come

Shine's second full quarter of production saw the FEX mining and logistics system hit its straps and bring costs down to A$51.8/t, compared to Shine's first full quarter C1 cash costs of A$77.90/t (March quarter) and its first partial quarter at A$86.90/t (December quarter). The decrease of A$26.1/wmt represents a 33.5% reduction in costs over the course of just 3 months. C1 cash costs for the June quarter were well below FEX's target of A$67.50/t.

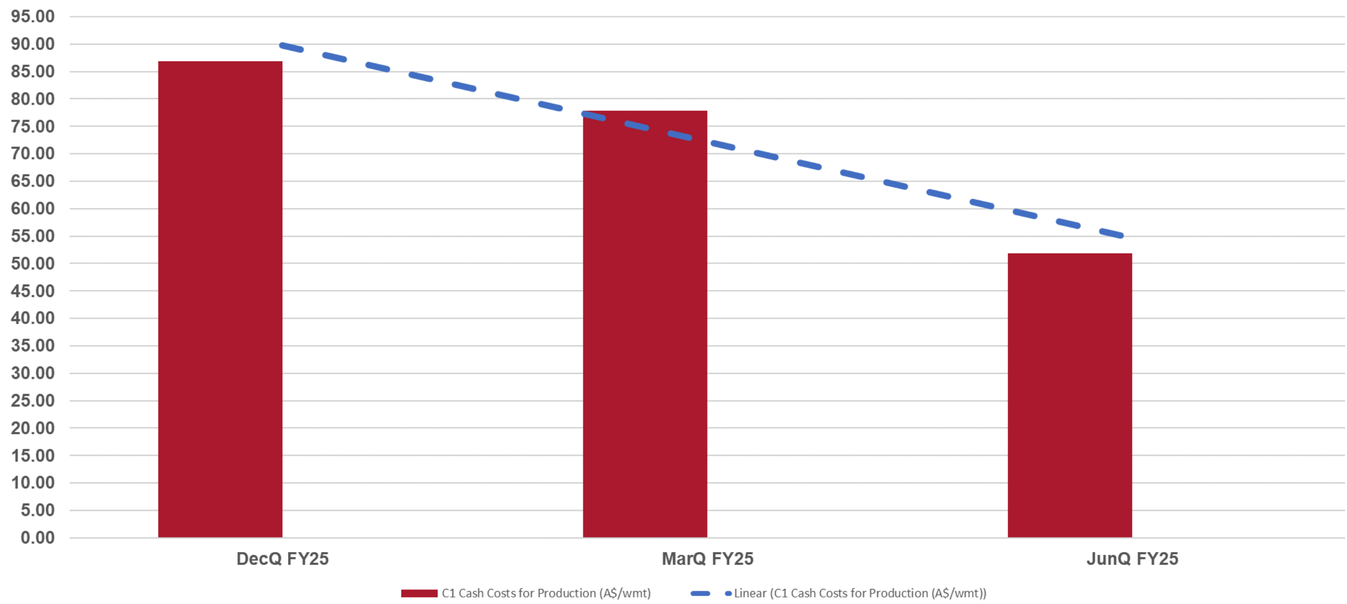
In the short term, FEX expects inflation to run at or around 5%. The company intends to offset this by future cost savings through further logistics improvements. Longer term, FEX is focused on overall cost reduction rather than cost stability, with the company indicating that it plans to achieve this by increasing production volumes and spreading fixed cost over more tonnes.

Figure 3: Iron Ridge mine – costs have continued to come down over time



Source: FEX.

Figure 4: Shine – rapid cost reduction over first 3 quarters



Source: FEX

Production rates – lower iron ore production

Mining rates (production) are managed alongside stockpiles and can fluctuate on a quarterly basis. After a significant increase in production in the previous quarter as Shine ramped up, this quarter saw lower ore production. This had no effect on the shipping rates but reflects the management of production and stockpiles. Both Iron Ridge and Shine have orebodies that are relatively simple to mine and over time enable consistent levels of mining. Since production began, Iron Ridge has been mining at a rate of ~1.3–1.4Mtpa and will continue to do so, while FEX expects Shine to run at annual rates of 1.2Mtpa.

Ore shipped – Iron Ridge sends 5 shipments, and Shine sends 8

In 4QFY25, Iron Ridge sent 5 shipments totalling 295.9kt of ore shipped (previous quarter: 349kt; 1.4Mt annualised rate). One shipment was deferred to July due to a surge event at the port. FEX expects 7 shipments will be sent in the September quarter as the deferred shipment from the June quarter is made up.

Shine sent 8 shipments in the quarter, including 3 low-grade lump shipments for a total of 464kt (355kt previous quarter) of ore. FEX expects Shine to send 7 shipments of ore in the September quarter, including one low-grade shipment.

The ratio of higher-value lump ore was 42% of shipments. This included lower-grade shipments from Shine, and compares to a ratio of lump to total shipments of 46% over the life of the Iron Ridge project to date (and original expectations of 25%).

Average iron ore price lower – Shine's realised price lower than Iron Ridge

Iron Ridge: premium pricing

FEX's iron ore prices are determined relative to the 62% Fe fines CFR benchmark. (CFR indicates the landed price in China, inclusive of shipping. Average shipping rates for the quarter were US$16.7/t, vs US$14.9/t in the prior quarter).

With higher-grade fines and lump ore, FEX receives a premium price for its Iron Ridge products. Iron Ridge's average realised price for the quarter was US$105.6/t CFR, compared to an average benchmark price of US$97.8/t. Prices were slightly lower than the previous quarter of US$108.2/t reflecting a lower benchmark price.

Shine: lower grade than Iron Ridge – low-grade shipments sent to boost cashflow

Shine's overall grade at 58.5% is similar to that of iron ore major FMG, but lower than Iron Ridge's 64%, so Shine does not attract the same premium pricing. In addition, FEX has been working through low-grade stockpiles at Shine and selling them into the market at a relatively lower price than what will be received over the life of the mine, dragging down the average price received.

Shine's average realised price received was US$74.7/t (below the prior quarter of US$81.3/t, as 3 low-grade shipments were sent compared to 1 last quarter). This compares to a benchmark of US$103.6/t.

Iron ore prices still at or around US$100/t

Current iron ore prices are ~US$98/t and traded in a relatively tight range around that mark over April and May. June saw some weakness in pricing as the market concerns grew on the Chinese economy's strength and US trade policies, seeing iron ore bottom out at around US$93/t at the end of June. However, in July, the price of iron ore has increased back to close to US$100/t as the Chinese Government announced large infrastructure projects and the market's concerns about the levels of US tariffs decreased.

FEX has adopted a hedging strategy to reduce price risk and advantageously hedge during periods of high iron ore prices. The hedging strategy secures a strong positive cashflow margin on a base level of production while maintaining positive exposure to spot iron ore prices. Current hedges comprise 480,000 tonnes hedged to December 2025 at an average price of A$155.30 per tonne.

The Third Production Hub: Beebyn-W11

Mining Commenced – The Road to 10Mt?

Recap of the right to mine

In October 2023, FEX secured the exclusive right to mine and export up to 10m dry metric tonnes of iron ore from Sinosteel's (SMC) high-grade Beebyn-W11 iron ore deposit in the Weld Range. (SMC's Weld Range iron ore assets have a resource of ~300Mt.) The Beebyn-W11 deposit is located only 20km from FEX's current mining operations at the Iron Ridge Iron Ore Mine, allowing FEX to achieve significant operational synergies for future mining activity and to use its own existing infrastructure and regional transport and logistics capabilities.

The form of the right to mine gives FEX:

- 100% control of all mining and export activities
- a variable profit share royalty based on a share of notional profit, calculated as actual revenue received for Beebyn-W11 shipments, less certain actual costs, less a fixed margin
- the right to mine and sell up to 10m dry metric tonnes of ore from Beebyn-W11 within 10 years of commencement.

Update: mining commenced in June 2025 – 4Mtpa rate in 2025

Significant progress was made during the June quarter, most notably the completion in July of a private haul road connecting Beebyn-W11 to Iron Ridge.

Mining commenced during June 2025 and FEX expect the first shipment of Beebyn-W11 ore in the September quarter.

The production target for Beebyn-W11 remains 1.5Mtpa, at forecast C1 cost of A$77.5/wmt FOB Geraldton. The project remains on schedule, supporting FEX's 4Mtpa production run-rate target for 2025.

10Mt on the way? Further discussions with Sinosteel

FEX continues to explore further opportunities to collaborate with SMC in the Weld Range.

This is a key to FEX taking a 'step up' towards its target of 10Mt per annum of high-quality iron ore – a target that FEX believes is achievable.

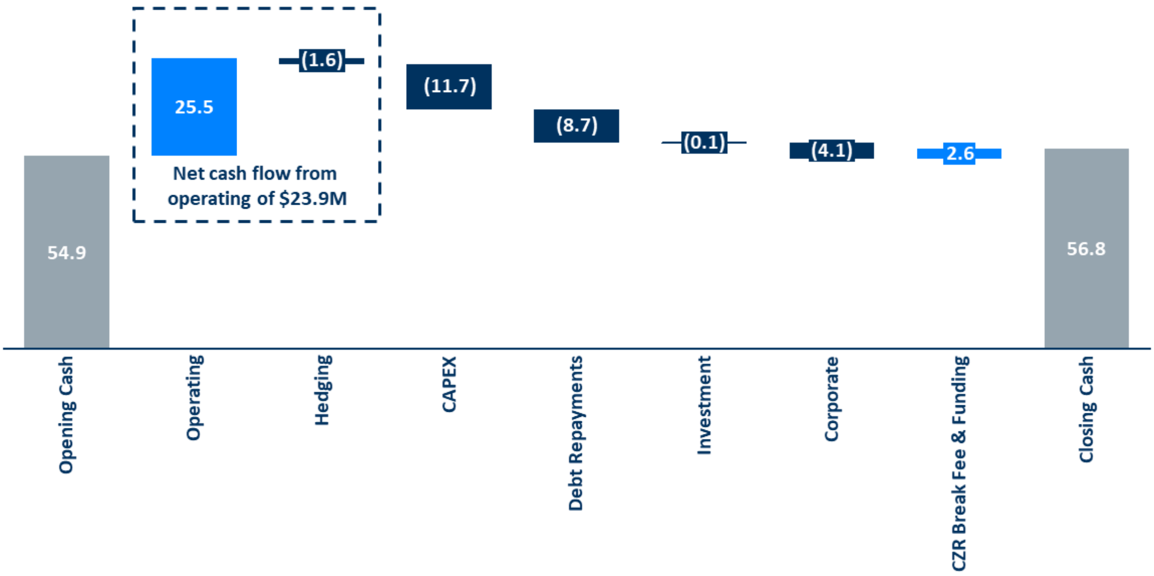
SMC's Weld Range iron ore assets have a resource of ~300Mt, which could comfortably support a 10-year 10Mt project with fixed costs spread over a larger production base, thus lowering the cost per tonne even further.

Strong Cash Generation Continues –

Finalisation of Beebyn-W11 and Fleet Expansion Capex

The ending cash balance for the quarter was A$56.8m (March quarter: A$54.9m). Figure 5 shows the use of cash during the quarter.

Figure 5: Cashflows for 4QFY25



Source: FEX.

Key cashflow items for the June quarter included:

- capital expenditure of A$11.7m, including funding of growth initiatives such as Beebyn-W11, the Newhaul fleet expansion, commercial and residential property developments
- debt repayments of A$8.7m in relation to the Newhaul fleet
- corporate costs of A$4.1m, including costs associated with business development
- A$2.6m received from CZR for the full repayment of funding advanced by FEX under the loan agreement and break fee as part of the CZR takeover offer.

Valuation: A$0.76/Share (Previous A$0.79), Using Blended DCF and EV/EBITDA

Our blended valuation for FEX of A$0.76 per share (previous A$0.79) is based on a 50:50 weighting of our DCF-derived NPV and EV/EBITDA valuations. We reviewed our models at the end of the financial year, leading us to make some minor adjustments to our forecast EBITDA and a small adjustment to our valuation.

FEX has pursued some very significant business development opportunities since acquiring the Mid-West iron ore and port assets from Mount Gibson. These new opportunities have the potential to create significant value for the business and have not been appropriately valued by the market, in our view.

DCF-based NPV: A$0.60/share (50% weighting in our base case)

We value FEX using DCF methodology across the company's key assets, net of cash and debt, and including other assets/liabilities. We apply a discount rate of 10.0% (nominal WACC) to life-of-mine/project cash flows. We include Iron Ridge, Beebyn-W11, Shine, and the third-party transport and logistics business.

Figure 6: DCF-based NPV valuation for FEX

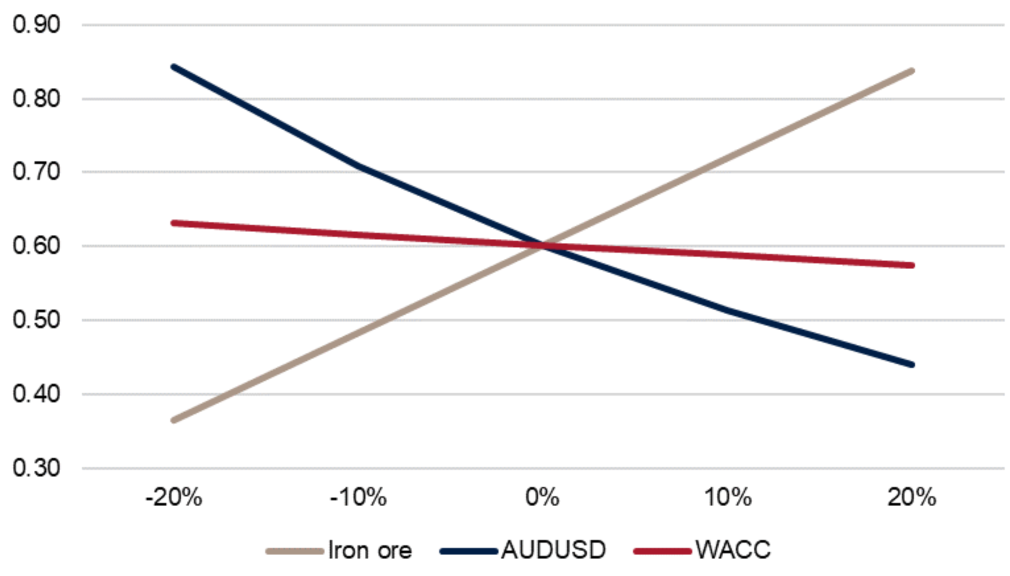
DCF Valuation				Previous Valuation
	Discount rate	A$mn	A$/sh	A$/sh
Iron Ridge	10.0%	120	0.15	0.14
Beebyn	10.0%	136	0.17	0.16
Shine	10.0%	6	0.01	0.01
Logistics & other	10.0%	137	0.17	0.17
Total operating assets		**399**	**0.49**	**0.48**
Corporate	10.0%	(26)	-0.03	-0.03
Net cash/(debt)		127	0.16	0.17
Provisions		(10)	-0.01	-0.01
Net Asset Value		**490**	**0.60**	**0.60**

Source: MST estimates.

Key assumptions

- **Iron ore price:** We use a long-run iron ore price of US$100/t (2026 real $)
- **Forex:** AUD/USD of 0.65 until 2QFY27, 0.67 until 2QFY28 and 0.70 thereafter
- **Iron Ridge:** 1.44Mwmtpa of shipments, C1 cash cost of A$76/wmt, an extended mining assumption to mid-CY2029
- **Shine:** 1.2Mwmtpa of shipments, C1 cash cost of A$67/wmt, commencing in the December 2024 quarter and running to the end of 2026, A$7.4m capex
- **Beebyn-W11:** A$33.5m capex, first production CY2025, ramping up to 1.5Mwmtpa of shipments for ~10 years, C1 cash cost of ~A$80/wmt
- **Logistics:** We include growth in third-party logistics volumes (including Gold Valley, Beebyn, and the 10M ore purchase agreement) to ~2.5–3.0Mwmtpa hauled and shipped, at an average blended margin of A$6–7/t (25% EBITDA margins). We discount these cashflows over the term of current contracts or life of mine, extending over the next ~10 years and with no terminal value. We highlight that the strategic and financial value of FEX's logistics assets may extend far beyond this.

Figure 7: DCF sensitivity to key inputs



Source: MST.

EV/EBITDA valuation: A$0.92/share at 4x FY26 EBITDA (50% weighting in our base case)

We apply a 4x multiple to EBITDA for FY26 EBITDA (see Figure 8).

We note that FY25 has been a transitional year for FEX, and that the company will benefit in FY26 from having all three mines running and generating substantially higher EBITDA.

Figure 8: FEX EV/EBITDA valuation

EV/EBITDA valuation				Previous Valuation
	A$mn		A$/sh	A$/sh
EBITDA	**1H 26**	**2H 26**		
Iron Ridge	41	39	0.10	0.11
Beebyn	16	19	0.04	0.05
Shine	10	9	0.02	0.03
Logistics services	14	17	0.04	0.04
Corporate/SG&A/hedging	-6	-3	(0.01)	(0.03)
FY26 EBITDA	**156**		**0.19**	**0.20**
Multiple	**4.0x**			**4.0x**
Enterprise value	625		0.77	0.81
Net cash/(debt)	127		0.16	0.17
Equity value	**751**		**0.92**	**0.98**

Source: MST.

Key catalysts for share price and valuation

FEX's growth profile is strong, and several key catalysts both in the short and medium term have the potential both to drive the share price towards our valuation and to increase our valuation.

Agreement with Sinosteel on Weld Range – access to 300Mt resource

We see a key catalyst for FEX being the completion of an agreement with SMC to access the 300Mt resource at the Weld Range, adjacent to Iron Ridge. This is a key to FEX accessing high-quality iron ore and potentially driving a 10Mt production level over at least a 10-year period. This would add significant cash flow to FEX over a longer mine life.

Continued strong performance of Iron Ridge

As the core asset of the group and the chief cash generator, the continued strong performance of Iron Ridge is key to the valuation and the performance of the stock.

Extension of Iron Ridge mine life

The recent drilling success has shown the potential for extension of the Iron Ridge mine life. Further extension of the mine life of the flagship asset could lead to share price appreciation.

Iron ore price

The iron ore price is the central input to FEX's revenue. Short- and long-term increases in the iron ore price would drive both the share price and valuation.

Regional exploration success – Iron Ridge and new tenements

The recent increase in the resources around the Iron Ridge mine shows the potential for further exploration success. Further exploration is planned in CY2025, and this may add further mine life to the Iron Ridge project, extending the high-grade resource and generating strong cash flow. The recent acquisition of additional tenements near Iron Ridge and Beebyn-W11 add further potential for exploration success and further resource expansion.

Shine Iron Ore Mine – consistent production

Another significant leg up in production and cash generation, the Shine Project is another key leg of growth for FEX. Production has commenced and delivery of consistent results will be a key catalyst for the stock.

Logistics and infrastructure growth

A major foundation for FEX's growth is the capacity of the logistics and port and rail infrastructure. Deals such as the Gold Valley logistics and port access show FEX's ability and capacity to deliver these types of transactions.

Further transactions with regional producers – including other commodities

FEX's position in the Mid-West enables it to unlock regional producers' projects via its ownership of the logistics and port and rail infrastructure. This also positions FEX to participate in regional producers' projects and diversify the revenues across commodities outside of iron ore.

Key risks to our view

We outline the key risks to the share price and valuation below. We note that these risks are mitigated by a strong management team, cost control, financial management and a dominant position in Mid-West logistics and infrastructure.

No agreement with Sinosteel on Weld Range

A potential agreement with SMC would increase production and extend mine life. Although we do not take this into our valuation at present, any lack of progress on an agreement would likely continue to keep the market focused on FEX's mine life.

Performance of Iron Ridge and maintaining high margins

As the core asset of FEX, any performance issues at Iron Ridge will influence cash generation. Strong cost control and hedging have reduced the risks of this, in our view.

Iron ore price

This is the most important valuation sensitivity.

Growth

An investment highlight of FEX is its capacity to grow. Lack of growth may reduce the investment appeal of FEX.

Cost inflation

Cost inflation is a global theme and is particularly concerning in the mining industry. If operational or capital costs increase without a corresponding increase in the commodity price, the project's margins will be reduced. However, we note that FEX has demonstrated strong cost control in this environment.

Foreign exchange rates

Iron ore is priced in USD, meaning that the exchange rate is a risk to the AUD price received by FEX. FEX offsets this risk by hedging part of the production.

Health and safety

Health and safety is of high importance with respect to mining operations, and any issues can be detrimental to those operations. FEX manages this risk through a strong, OH&S-focused culture, Fenix–Newhaul safety technology (simulator, IT systems, etc), and industry-leading management.

Appendix 1: Beebyn-W11 – The Process:

An Iron Ridge 'Cut and Paste'

The feasibility study revealed a high-grade, high-quality project that is effectively a 'cut and paste' of Iron Ridge. Key comparisons of processes include:

- Beebyn-W11 is located 508km from the Geraldton Port and 20km from FEX's existing Iron Ridge Mine. Like Iron Ridge, it is based on a Direct Shipping Ore (DSO) operation.
- As with Iron Ridge, ore will be crushed and screened on site and separated into lump and fines product before being trucked to the Geraldton Port, utilising the same contract miner as Iron Ridge.
- As with Iron Ridge, Beebyn's geology is part of the Murchison Domain in the Yilgarn Craton, WA. It comprises a near-surface, steeply dipping Archaean banded iron formation, encircled by mafic igneous rocks within the east-northeast trending Weld Range greenstone belt. Mineralisation at Beebyn-W11 includes goethite-hematite and massive magnetite, specular hematite, goethite and limonite ore bodies.
- Replicating the Iron Ridge process, FEX's wholly owned logistics subsidiaries, Newhaul Road Logistics and Newhaul Port Logistics, will provide haulage logistics and port services, with material to be exported through the company's existing infrastructure at the Geraldton Port.
- The Beebyn-W11 Project will employ conventional open-pit mining techniques, using a standard drill and blast, load and haul cycle. The mining fleet will include a 120t excavator and 90t off-highway trucks, similar to Iron Ridge.
- The project will use the Berringarra-Cue Road, Great Northern Highway (National Route 95) and Geraldton Mount Magnet Road (State Route 123) for site access and ore transport to the port of Geraldton, the same roads as Iron Ridge.
- A sealed 17.6km haul road and mine access road will be constructed to connect the Beebyn-W11 mine to the Iron Ridge–Berringarra-Cue Road.
- The existing 132-room accommodation facility owned by FEX at the Iron Ridge camp, 20km from Beebyn-W11, will be expanded by 60 rooms to support the project.

Personal disclosures

Michael Bentley received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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The companies and securities mentioned in this report, include:

Fenix Resources (FEX.AX) | Price A$0.295 | Valuation A$0.760;

Price and valuation as at 04 August 2025 (not covered)*

Additional disclosures

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