

Fenix Resources Limited

Modern Slavery Statement

1. Purpose

This Statement is made under the Australian Modern Slavery Act 2018 (Cth) (“Act”) for the financial year ending 30 June 2022 (“FY2022”) and is published on behalf of Fenix Resources Limited, ABN 68 125 323 622 and each of its wholly own operating subsidiaries (together “FEX”).

The Statement details the steps FEX has taken to assess modern slavery risks within its business and/or supply chains and practical steps to be taken to help minimise those risks.

FEX is committed to acting ethically and responsibly in all business activities, and providing a duty of care to all employees, clients and stakeholders. FEX opposes the use of modern slavery practices and is committed to addressing any potential risk of modern slavery in its operations and supply chain to the extent it can.

2. Background on FEX

FEX is an Australian based mining company headquartered in Perth and listed on the Australian Stock Exchange (FEX:ASX), with consolidated revenues of c.\$250 million achieved during FY22.

FEX’s 100% owned, flagship Iron Ridge iron ore mine is located in the mid-west mining region of Western Australia and is a premium direct shipping ore deposit that hosts some of the highest-grade iron ore in Western Australia. Production commenced in December 2020 following a rapid three-month development period, and first sales were generated in February 2021.

High-grade iron ore is transported by road from Iron Ridge to Geraldton using the 100% owned Fenix-Newhaul haulage business where it is stored in FEX’s port storage facility. The product is then loaded into a bulk vessel and exported to customers in Asia. Approximately 2 million tonnes of premium iron ore products have been exported to date, generating solid cash flow. High grade iron ore attracts a premium price on the seaborne market, as a purer product results in lower emissions. Chinese steelworks are demanding low impurity ore to meet increasingly strict government regulations.

FEX is led by a proven team with deep mining experience and benefits from strategic alliances and agreements, including binding agreements with the Mid West Ports Authority for the use of its Geraldton Port facilities, a 50% off-take arrangement with Sinosteel International Holding Company Limited and an exclusive marketing agreement with Atlas Iron Pty Ltd for the remaining 50% of product sales.

FEX is focused on promoting opportunities for local businesses and the community; to date, the project has generated some 200 local jobs. FEX is proud to employ a 40%

indigenous workforce and to be in partnership with Schwarze Brothers Pty Ltd and other leading service providers.

3. FEX's Operations and Supply Chain

FEX's direct suppliers are predominantly located in Western Australia. FEX has over 120 recognised suppliers and its procurement spend in FY22 was c.\$178m, of which the most significant was Fenix-Newhaul and offshore shipping contracts, with the balance spread across the remaining predominantly Australian based suppliers.

FEX's supply chain consists of the following key goods and services:

- Inputs
 - Fuel – procured externally from registered fuel providers
 - Camp services – fully outsourced to an accredited provider who is responsible for accommodation, cleaning and catering
 - Support services – this includes both site-based and corporate services, managed by the FEX team
- Operations
 - Mining and processing – outsourced to MACA, managed by FEX
 - Haulage – fully outsourced to Fenix-Newhaul, a wholly owned subsidiary, including product loading and haulage to FEX's port facilities
 - Port services – outsourced to established service providers, including warehouse inventory management and stevedoring
 - Shipping – shipping managed through licenced shipping providers, with the assistance of shipping brokerage service providers
- Outputs
 - Iron ore – offtake arrangement with Sinosteel International Holding Company Limited and an exclusive marketing agreement with Atlas Iron Pty Ltd

We expect our suppliers, contractors and consultants to follow the standards we do, to not engage in any form of modern slavery and to adhere to relevant laws and regulations in the jurisdictions in which they operate.

4. Modern Slavery Risks in FEX's Operations and Supply Chain

While FEX is not aware of any modern slavery in its operations and supply chain, it recognises that modern slavery can occur, and as such considers it as part of FEX's risk management framework - which addresses risk across all areas of the business.

In applying the risk management framework, the potential exposure to modern slavery risk is regularly analysed, including how potential exposures are controlled, how effective those controls and actions are, and what improvement is required.

FEX owns an Australian based mining operation that is supported by a supply chain of predominantly Australian based companies. Australia has a comprehensive regulatory framework in place and is considered a low-risk jurisdiction for modern slavery. In addition, FEX's offtake agreement is governed by Western Australian laws. FEX has in place a code of conduct, supplier and contractor agreements that refer to minimum standards and expectations with regards to modern slavery.

5. Actions to Address Modern Slavery Risks

FEX is committed to the ongoing improvement of our understanding and approach to managing potential exposures to modern slavery risk, such as through contractual mechanisms, due diligence, company policies, training and awareness, open engagement with FEX's stakeholders and ongoing risk analysis.

During FY23, FEX intends to undertake further analysis of modern slavery risks across the supply chain, including assessment of the effectiveness of FEX's current controls to address these risks and any additional actions required to address gaps.

This Statement was approved by the principal governing body of the reporting entity, FEX, namely the Board of Directors of Fenix Resources Limited, by resolution on 18 October 2022.

Signed by a responsible member of the reporting entity:



John Welborn
Chairman
Fenix Resources Limited
14 November 2022