

# 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 2023 (“FY2023”) 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.\$197 million achieved during FY23.

During FY23, Fenix undertook a number of transformational transactions that broadened the nature and scope of its operations, which comprised the following as at 30 June 2023:

- **Iron Ridge iron ore mine:** FEX’s 100% owned, flagship Iron Ridge iron ore mine is located near Cue 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. Iron Ridge’s 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.
- **Shine iron ore mine:** Fenix acquired Mount Gibson Iron Limited’s (“MGX”) interests in the Shine iron ore mine in June 2023 (completed July 2023), an open pit mine located 230km east of Geraldton in the mid-west mining region of Western Australia. The mine is currently on care and maintenance, with FEX investigating opportunities to bring the mine back into production.
- **Fenix-Newhaul:** FEX’s 100% owned Fenix-Newhaul haulage business transports the high-grade iron ore from the Iron Ridge iron ore mine c.500km to FEX’s port storage facilities located at the Geraldton port.

- **Mid-West raiing sidings:** As part of the transaction with MGX, FEX acquired two rail sidings located at Ruvadini and Perenjori respectively. The rail sidings include assembly locations sufficient for product storage and blending activities and provide access to the Mid-West rail network and direct connection to Geraldton Port.
- **Geraldton port facilities:** Following the MGX transaction, FEX now owns 3 large on-wharf storage facilities at Geraldton Port with warehouse capacity of ~400,000 tonnes. Fenix continues to use its existing facility to load Iron Ridge product into a bulk vessel for export to customers in Asia, with approximately 3 million tonnes of premium iron ore products have been exported by 30 June 2023, generating solid cash flow. Fenix is currently utilising the additional capacity to provide storage and shiploading facilities to third party customers.

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 Iron Ridge iron ore mine has generated some 200 local jobs. FEX is proud to sponsor and partner with local indigenous businesses.

### 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 FY23 was c.\$148m, of which the most significant was offshore shipping contracts, contract mining, fuel supplies, as well as truck and trailer sourcing, parts and services, with the balance spread across the remaining predominantly Australian based suppliers.

FEX's supply chain (in relation to the above assets) 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
  - Truck and trailers – trucks procured from Volvo and trailers from Bruce Rock
  - Truck and trailer spare parts and servicing – sourcing of spare parts from reputable large providers, with some repair services outsourced
  - 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
  - Third party port services – contractual arrangement with reputable local mining companies

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

---

FEX owns Australian based mining operations that are 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. Assessment of actions taken to address Modern Slavery Risks

---

During FY23, FEX completed a modern slavery risk assessment across its supply chain, including an assessment of the effectiveness of FEX’s current controls to address these risks and any additional actions required to address gaps. The potential exposure to modern slavery risk was analysed, including how potential exposures are controlled, how effective those controls and actions are, and what improvement is required. Actions taken post this assessment included increased focus on ensuring that new contracts include relevant best practice modern slavery Responsible Supply Chain provisions and Compliance with Laws clauses, notably in terms of the recently completed sale and asset purchase transactions concluded.

FEX then commenced a key supplier and customer assessment programme aimed at identifying potential modern slavery risks within these key stakeholders. Whilst this programme is still ongoing at the date of this report, FEX is not aware of any modern slavery in its operations and supply chain.

## 6. Further actions to address Modern Slavery Risks

---

FEX recognises that modern slavery can occur, and as such continues to consider it as part of FEX's risk management framework - which addresses risk across all areas of the business. 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 FY24, FEX intends to complete its key supplier and customer assessment programme, with key findings emanating from the programme to be reviewed and any appropriate action taken to address any identified risks. Furthermore, FEX will include relevant best practice modern slavery Responsible Supply Chain provisions and Compliance with Laws clauses, as well as undertake any relevant risk assessments, regarding new suppliers and customers arising from its recently acquired businesses and assets.

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 19 December 2023.

Signed by a responsible member of the reporting entity:



John Welborn  
Chairman  
Fenix Resources Limited

19 December 2023