

## PRESS RELEASE

# Fortress Minerals continues strong sales volume momentum with a 103% yoy increase to 194,946 DMT for 1Q FY2026

- Revenue for 1Q FY2026 increased 62.9% year-on-year (“yoy”) to US\$15.9 million, driven by strong sales volume growth on the back of resilient demand from regional markets.
- Gross profit increased 13.5% yoy to US\$8.1 million for 1Q FY2026, with a robust gross profit margin of 50.8%. Consequently, net profit increased 7.2% yoy to US\$2.5 million for 1Q FY2026.
- Diversification of resource base continues to be a key strategy for the Group as it looks to invest into other complementary mining assets through strategic investments.
- Besides its diversification efforts, the Group continues to focus on boosting its core business as evidenced by the successful completion of a new crushing plant in 1Q FY2026 to address the regional demand.

**SINGAPORE, 1 July 2025 – Fortress Minerals Limited** (the “Company” or “Fortress Minerals”) and its subsidiaries (collectively the “Group”), an iron ore concentrate producer and exporter from Malaysia, today announced the financial results for the three months ended 31 May 2025 (“1Q FY2026”).

## Financial Highlights

	1Q FY2026	1Q FY2025	Change %	FY2025
<b>Sales volume (DMT*)</b>	194,946	96,093	102.9	632,424
<b>Average realised selling price (US\$/DMT)</b>	82.30	101.01	(18.5)	88.88
<b>Average unit cost of sales (US\$/WMT#)</b>	36.66	25.48	43.9	33.16
<i>(US\$ '000)</i>				
<b>Revenue</b>	15,924	9,776	62.9	56,254
<b>Gross profit</b>	8,089	7,127	13.5	33,209
<b>Gross profit margin</b>	50.8%	72.9%	(22.1) ppt	59.0%
<b>Other income</b>	756	115	557.0	907
<b>Selling &amp; distribution expenses</b>	(1,977)	(1,202)	64.4	(6,340)
<b>Other operating expenses</b>	(3,186)	(2,255)	41.3	(12,668)
<b>Administrative expenses</b>	(319)	(323)	(1.3)	(1,315)
<b>Reversal of impairment loss on a financial asset</b>	11	-	100.0	-
<b>Impairment losses on non-financial assets</b>	-	-	-	(3,000)
<b>Fair value changes on financial instruments</b>	241	-	100.0	298
<b>Finance costs</b>	(108)	(179)	(39.4)	(598)
<b>Net profit after income tax (NPAT)</b>	2,478	2,312	7.2	5,775
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	4,042	3,887	4.0	16,065

\* DMT denotes Dry Metric Tonnes

# WMT denotes Wet Metric Tonnes

## **Financial Developments**

The Group reported a 62.9% increase yoy in revenue to US\$15.9 million for 1Q FY2026 driven by higher sales volume. The sales volume increased by 102.9% yoy to 194,946 DMT for 1Q FY2026 due to a combination of higher export shipment of iron ore to meet overseas demand and increased local sales, reflecting resilient demand from regional markets.

The increase in sales volume was partially offset by the decline in the average realised selling price, which was 18.5% lower yoy at US\$82.30/DMT for 1Q FY2026, compared to US\$101.01/DMT in 1Q FY2025.

Average unit cost of sales rose by 43.9% yoy to US\$36.66/WMT for 1Q FY2026, compared to US\$25.48/WMT in 1Q FY2025 due to higher direct material consumption and costs during the period. This was in line with the increase in sales volume to fulfil market demand, and reflected a shift in cost strategy and structure to support scalable and timely production.

Despite the lower selling price and higher unit cost, the Group's gross profit margin remained strong at 50.8% in 1Q FY2026. EBITDA for 1Q FY2026 increased 4.0% yoy to US\$4.0 million, and NPAT increased 7.2% yoy to US\$2.5 million.

As the Group continued its growth efforts, the Group's net asset value (NAV) per share was 13.6% higher yoy at 16.20 US cents as at 31 May 2025, compared to 14.26 US cents as at 31 May 2024. Earnings per share stood at 0.47 US cents for 1Q FY2026.

The Group remains committed to disciplined capital management and growing its operations strategically to maximise long-term value for its shareholders.

Dato' Sri Ivan Chee, Executive Director and Chief Executive Officer of Fortress Minerals, commented,

*"We delivered another strong quarter, maintaining high sales volumes that underscore the sustained demand for iron ore across the region. Our secured offtake agreements, covering 510,000 WMT, provide additional visibility and resilience amid an evolving macroeconomic environment.*

*Our growth initiatives remain firmly on track, with steady progress across key verticals. These include the successful completion of a new crushing plant at Bukit Besi in 1Q FY2026, the ongoing development of a pilot plant at the CASB mine and continued advancement of exploration activities across the Group's tenements. These efforts collectively aim to strengthen our production capabilities and reinforce our position as one of the key suppliers in the region.*

*In parallel, we have made strategic investments in bauxite and gold. These initiatives not only look to expand our resource base but support our efforts to diversify our mineral portfolio in line with long-term industry trends such as the energy transition and decarbonisation.*

*We remain cautiously optimistic as we navigate uncertainties arising from regional geopolitical developments and evolving regulatory landscapes. Our focus remains on disciplined growth, prudent capital management, and creating sustainable value for our shareholders."*

## **Market Outlook**

Global crude steel production decreased 0.3% yoy from April 2024 to April 2025, reaching 155.7 million tonnes. China, the world's largest steel producer, produced an estimated 86.0 million tonnes (Mt) in April 2025, in line with its production in April 2024. From January to April 2025, China's total production grew 0.4% yoy to 345.4 Mt<sup>1</sup>.

Domestic steel demand in China continues to face headwinds, primarily from ongoing challenges in the property sector, with analysts lowering China's property price outlook for 2025 amid renewed trade risks<sup>2</sup>.

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<sup>1</sup> The World Steel Association, April 2025: [April 2025 crude steel production - worldsteel.org](https://www.worldsteel.org/en/don%E2%80%99t-panic-steel-production-in-april-2025/)

<sup>2</sup> Reuters, 23 May 2025: [Analysts downgrade China's property price outlook in 2025 as trade tensions pose fresh risk: Reuters poll](https://www.reuters.com/markets/commodities/analysts-downgrade-china-property-price-outlook-2025-trade-tensions-2025-05-23/)

Property investment fell by 9.8% yoy in the first two months of 2025, and April home prices declined 4.0% yoy<sup>3</sup>. However, iron ore and steel demand are decoupling from solely China's property sector to focus on manufacturing, infrastructure, and green sectors (i.e., renewable energy and electric vehicles)<sup>4</sup>. This supported a 4.6% yoy rise in China's steel output in March 2025, reaching a 10-month high of 92.84 Mt<sup>5</sup>. Steel exports reached 10.58 Mt in May 2025, marking a 1.1% increase month-on-month and a 9.9% increase yoy.

In parallel, India's iron ore imports are expected to grow further to meet the government's crude steel output target of 300 Mt per annum by 2030<sup>6</sup>.

Southeast Asia also continues to be a bright spot with strong and resilient economies, amidst global trade uncertainties. Malaysia's economy expanded by 4.4% in the first quarter of 2025, driven by steady domestic demand and robust household spending and business investments<sup>7</sup>.

Demand for the Group's iron ore concentrate from regional steel mills remains strong, supported by recent offtake agreements and underlying decarbonisation trends. The Group will continue to closely monitor the uncertain macroeconomic environment and the impact of global trade policies on steel demand and supply dynamics.

## **Operational Developments**

On 7 May 2025, the Group entered into a share purchase agreement to acquire a 10% equity interest in Strategic Venture Pte. Ltd. ("SVPL"), the holding company of Cheroh Mining PNG Limited ("**Cheroh PNG**"). Cheroh PNG is in the business of minerals exploration and mining in Papua New Guinea. This investment in bauxite mining reflects the Group's continued efforts to diversify its portfolio and resource base, mitigate risks associated with market fluctuations on a single commodity and align with global sustainability initiatives, particularly in energy transition.

On 30 April 2025, the Group entered into an agreement with Norwest Minerals Limited ("NML"), a company listed on the Australian Securities Exchange, to subscribe for any undersubscribed portion of shares under its non-renounceable rights issue. Pursuant to this, the Group subscribed for 60,235,692 shares at AU\$0.01 per share, with an equal number of free attaching options exercisable at AU\$0.03. The transaction was completed on 29 May 2025. NML plans to use the proceeds for drilling at the Bulgera Gold project, focusing on near-surface and deeper gold targets, followed by an update to the 2022 gold resource model. This further demonstrates the Group's strategic focus on expanding its regional exposure through disciplined investments in complementary mining assets.

While the Group continues to advance its diversification strategy, it remains firmly committed to enhancing production capabilities at the Bukit Besi mine. Construction of a new crushing plant was successfully completed as scheduled in 1Q FY2026. To optimise operational efficiency, commissioning has been strategically aligned with its integration into the existing processing plant, forming a fully integrated processing facility. This integration is targeted for completion in FY2027, strengthening the Group's capacity to meet ongoing and future demand.

The Group also continues to advance the development of an integrated processing plant at the CASB mine to enhance production capabilities and support the production of iron ore, copper, and pyrrhotite concentrates. The flowsheet and engineering design for the new plant have been completed. Based on recommendations from consultants, the Group is progressing with the construction of a pilot plant for trial production.

Effective 31 May 2025, the mining lease for the CASB mine was transferred to Pahang Mining Corporation Sdn Bhd ("**PMC**"), a state-owned Government-Linked Company. This transfer was made in compliance with a state-wide administrative restructuring introduced by the Pahang State Government.

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<sup>3</sup> Trading Economics, May 2025: [China Newly Built House Prices YoY Change](#)

<sup>4</sup> The Business Times, 27 May 2025: [Iron ore stays relevant despite China's faltering property sector as demand drivers evolve](#)

<sup>5</sup> Reuters, 8 May 2025: [Iron ore tells a different story to the China tariff pain narrative](#)

<sup>6</sup> Reuters, 3 June 2025: [India's iron ore imports to trend higher, but it's no China](#)

<sup>7</sup> Bank Negara Malaysia, 16 May 2025: [Economic and Financial Developments in Malaysia in the First Quarter of 2025 - Bank Negara Malaysia](#)

As such, PMC serves as the central coordinating body for all mineral-related activities in the state, holding exclusive tenement rights and functioning as a one-stop centre for licensing, planning, and oversight of mining operations in Pahang.

This transition is part of a broader regulatory streamlining initiative that applies to all mining operators in the state and is not specific to CASB. It is intended to improve administrative efficiency, strengthen regulatory oversight, and enhance royalty collection.

To ensure operational continuity, the relevant authorities have granted CASB exclusive concessionaire rights for a period of two years, with the option for further extension. Under this arrangement, the Group retains full and uninterrupted access and control over the CASB mining area. In parallel, the Group is actively engaging with the authorities to apply for a longer-term concession, in support of its ongoing investments and long-term development plans. Operations at the site continue without disruption under the current arrangement.

In relation to the prospecting activities in Sabah by Saga Mineral Sdn. Bhd. (“**Telupid**”) and Kencana Primary Sdn. Bhd. (“**Tongod**”), the Group had submitted renewal applications for their respective prospecting licenses, which expired on 14 December 2024 and 18 December 2024, respectively. Therefore, the prospecting activities at Telupid and Tongod have been put on hold until successful renewal of the licenses. The initial renewal applications were not approved, and the Group is actively pursuing appeals through the relevant authorities. In the meantime, the Group has reallocated its resources to other projects and operations. The Group will provide updates to shareholders should there be any material developments.

The Group continues to seek opportunities to grow its commodities portfolio in a disciplined manner via acquisitions, joint ventures and/or mining contracting services in Malaysia and the region, leveraging its strong capabilities and partnerships to meet growing demand.

The Group will explore various fund-raising opportunities to enhance its cash balances for operational needs when required. The Group will update shareholders via SGXNET as and when there are any material developments on the aforementioned.

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*This press release should be read in conjunction with the related announcements uploaded by Fortress Minerals Limited on SGXNet.*

*This press release has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

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## About Fortress Minerals Limited (SGX: OAJ)

Fortress Minerals Limited (“**Fortress**” or the “**Company**” and collectively with its subsidiaries, the “**Group**”) is principally engaged in the exploration, mining, production and sale of iron ore with low level of impurities. With a proven operational track record, the Group consistently supplies iron ore that meets regional market requirements to support stable and ongoing demand. All of our iron ore are efficiently priced in the United States Dollar, benchmarked against international iron ore indices in line with global industry practices.

Building on this strong foundation, the Group is entering a new phase of strategic growth. With shareholders’ approval secured at the Extraordinary General Meeting in FY2024, Fortress is actively expanding into the exploration and development of other strategic and critical minerals, in line with global sustainability priorities and evolving market demands.

The Group continues to seek opportunities to grow its commodities portfolio prudently and in a disciplined manner via acquisitions, joint ventures and/or providing mining contracting services both in Malaysia and in the region, where its strong capabilities provide a competitive edge to tap on the demand.

Fortress is guided by core values of integrity, sustainability, empowerment, and prosperity, with a steadfast commitment to the safety and development of its people. Our team drives the business towards our vision of excelling in mineral exploration through strategic insights and alliances, addressing regional client demands, and maintaining ethical excellence.

Fortress Minerals Limited (SGX: OAJ) has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 27 March 2019.

For more information, please visit: <https://fortress.sg>

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