



FORTRESS MINERALS LIMITED

(Company Registration No.: 201732608K)

Unaudited Condensed Interim Financial Statements for the First Quarter and Three Months Ended 31 May 2026 (“1Q FY2027”)

Background

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, investments, 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>

Part I – Condensed Interim Financial Statements for the First Quarter and Three Months Ended 31 May 2026 (“1Q FY2027”)

Condensed interim consolidated statement of profit or loss

		Group		
		Three months ended		
	Note	31 May 2026 US\$	31 May 2025 US\$	Change %
Revenue	3	19,694,774	15,923,618	23.7
Cost of sales		(7,036,844)	(7,834,449)	(10.2)
Gross profit		12,657,930	8,089,169	56.5
Other income		86,358	756,489	(88.6)
Selling and distribution expenses		(2,970,588)	(2,260,367)	31.4
Other operating expenses		(3,611,673)	(2,902,747)	24.4
Administrative expenses		(1,052,252)	(318,826)	230.0
Reversal of impairment losses on financial assets, net		-	11,379	(100.0)
Fair value changes on derivative financial instrument		(277,661)	240,973	nm
Finance costs		(288,825)	(108,461)	166.3
Share of results of associates		(5,590)	-	100.0
Profit before income tax	4	4,537,699	3,507,609	29.4
Income tax expense	5	(1,278,602)	(1,029,825)	24.2
Profit/(Loss) for the financial period		3,259,097	2,477,784	31.5
Profit/(Loss) attributable to:				
Owners of the Company		3,304,714	2,458,963	34.4
Non-controlling interests		(45,617)	18,821	nm
		3,259,097	2,477,784	31.5
Earnings per share attributable to owners of the Company (cents)				
- Basic and diluted	6	0.63	0.47	34.0

nm – not meaningful

(the remainder of this page is intentionally left blank)

Condensed interim consolidated statement of other comprehensive income

		Group		
		Three months ended		
	Note	31 May 2026 US\$	31 May 2025 US\$	Change %
Profit/(Loss) for the financial period		3,259,097	2,477,784	31.5
Other comprehensive income				
<u>Item that will not be reclassified subsequently to profit or loss:</u>				
Fair value changes on equity instrument designated at fair value through other comprehensive income		(340,669)	37,816	nm
<u>Item that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations		(1,225,198)	2,951,529	nm
Total other comprehensive income for the financial period, net of tax		(1,565,867)	2,989,345	nm
Total comprehensive income/ (loss) for the financial period		1,693,230	5,467,129	(69.0)
Total comprehensive income/(loss) for the financial period attributable to:				
Owners of the Company		1,730,243	5,553,558	(68.8)
Non-controlling interests		(37,013)	(86,429)	(57.2)
		1,693,230	5,467,129	(69.0)

nm – not meaningful

(the remainder of this page is intentionally left blank)

Condensed interim statements of financial position

	Note	Group		Company	
		31	28	31	28
		May 2026 US\$	February 2026 US\$	May 2026 US\$	February 2026 US\$
ASSETS					
Non-current assets					
Investments in subsidiaries		-	-	43,014,878	43,014,878
Investments in associates		608,821	618,315	-	-
Equity instrument at fair value through other comprehensive income ("FVTOCI")	7	474,085	814,754	474,085	814,754
Derivative financial instrument	7	242,054	519,715	242,054	519,715
Exploration and evaluation assets		5,929,610	5,542,715	-	-
Mining properties	8	50,291,857	50,966,165	-	-
Plant and equipment	9	39,999,182	37,871,533	-	-
Right-of-use assets	10	141,337	161,974	-	-
Intangible asset		3,540,834	3,613,372	-	-
		<u>101,227,780</u>	<u>100,108,543</u>	<u>43,731,017</u>	<u>44,349,347</u>
Current assets					
Inventories		10,477,544	10,134,339	-	-
Trade receivables		6,527,527	2,535,170	-	-
Other receivables, deposits and prepayments		11,074,091	9,135,821	1,500,000	1,500,059
Amounts due from subsidiaries		-	-	30,792,286	30,676,077
Amounts due from associates		75,111	-	-	-
Current income tax receivables		274,711	629,875	-	-
Financial assets at fair value through profit or loss ("FVTPL")	7	2,505,035	4,687	2,503,033	3,005
Cash and bank balances	11	10,981,772	14,612,467	191,479	335,784
		<u>41,915,791</u>	<u>37,052,359</u>	<u>34,986,798</u>	<u>32,514,925</u>
Total assets		<u>143,143,571</u>	<u>137,160,902</u>	<u>78,717,815</u>	<u>76,864,272</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	12	28,995,034	28,995,034	28,995,034	28,995,034
Other reserves		29,604	1,604,075	85,986	426,655
Retained earnings		69,480,420	66,175,706	29,818,781	28,649,244
		<u>98,505,058</u>	<u>96,774,815</u>	<u>58,899,801</u>	<u>58,070,933</u>
Non-controlling interests		(496,860)	(459,847)	-	-
Total equity		<u>98,008,198</u>	<u>96,314,968</u>	<u>58,899,801</u>	<u>58,070,933</u>
Non-current liabilities					
Bank borrowings	15	10,434,003	6,717,560	-	-
Lease liabilities	15	66,159	80,048	-	-
Deferred tax liabilities		4,434,935	4,717,076	-	-
Other payables		2,551,316	2,488,182	2,551,316	2,488,182
		<u>17,486,413</u>	<u>14,002,866</u>	<u>2,551,316</u>	<u>2,488,182</u>
Current liabilities					
Banks borrowings	15	12,690,389	11,393,152	-	-
Lease liabilities	15	77,726	84,318	-	-
Trade payables		2,090,942	1,328,392	-	-
Other payables and accruals		12,747,845	13,934,493	226,218	172,559
Amounts due to subsidiaries		-	-	17,037,306	16,129,424
Amounts due to associates		5,937	-	-	-
Current income tax payables		36,121	102,713	3,174	3,174
		<u>27,648,960</u>	<u>26,843,068</u>	<u>17,266,698</u>	<u>16,305,157</u>
Total liabilities		<u>45,135,373</u>	<u>40,845,934</u>	<u>19,818,014</u>	<u>18,793,339</u>
Total equity and liabilities		<u>143,143,571</u>	<u>137,160,902</u>	<u>78,717,815</u>	<u>76,864,272</u>

Condensed interim statements of changes in equity

<u>Group</u>	Note	Share capital US\$	Capital reserve US\$	Foreign currency translation reserve US\$	Merger reserve US\$	Fair value reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance at 1 March 2026		28,995,034	383,615	4,359,781	(3,565,976)	426,655	66,175,706	96,774,815	(459,847)	96,314,968
Profit for the financial period		-	-	-	-	-	3,304,714	3,304,714	(45,617)	3,259,097
<u>Other comprehensive income</u>										
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")		-	-	-	-	(340,669)	-	(340,669)	-	(340,669)
Exchange differences on translating foreign operations		-	-	(1,233,802)	-	-	-	(1,233,802)	8,604	(1,225,198)
Other comprehensive income for the financial period, net of tax		-	-	(1,233,802)	-	(340,669)	-	(1,574,471)	8,604	(1,565,867)
Total comprehensive income/(loss) for the financial period		-	-	(1,233,802)	-	(340,669)	3,304,714	1,730,243	(37,013)	1,693,230
Balance at 31 May 2026		<u>28,995,034</u>	<u>383,615</u>	<u>3,125,979</u>	<u>(3,565,976)</u>	<u>85,986</u>	<u>69,480,420</u>	<u>98,505,058</u>	<u>(496,860)</u>	<u>98,008,198</u>

Condensed interim statements of changes in equity (continued)

<u>Group</u>	Share capital US\$	Capital reserve US\$	Foreign currency translation reserve US\$	Merger reserve US\$	Fair value reserve US\$	Retained earnings US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance at 1 March 2025	28,995,034	383,615	(4,535,493)	(3,565,976)	-	58,251,390	79,528,570	(326,199)	79,202,371
Profit for the financial period	-	-	-	-	-	2,458,963	2,458,963	18,821	2,477,784
Other comprehensive income									
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")	-	-	-	-	37,816	-	37,816	-	37,816
Exchange differences on translating foreign operations	-	-	3,056,779	-	-	-	3,056,779	(105,250)	2,951,529
Other comprehensive (loss)/income for the financial period, net of tax	-	-	3,056,779	-	37,816	-	3,094,595	(105,250)	2,989,345
Total comprehensive (loss)/income for the financial period	-	-	3,056,779	-	37,816	2,458,963	5,553,558	(86,429)	5,467,129
Transactions with owners									
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	7,868	7,868
Total transactions with owners	-	-	-	-	-	-	-	7,868	7,868
Balance at 31 May 2025	28,995,034	383,615	(1,478,714)	(3,565,976)	37,816	60,710,353	85,082,128	(404,760)	84,677,368

Condensed interim statements of changes in equity (continued)

	Note	Share capital US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
<u>Company</u>					
Balance at 1 March 2026		28,995,034	426,655	28,649,244	58,070,933
Profit for the financial period		-	-	1,169,537	1,169,537
<u>Other comprehensive income</u>					
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")		-	(340,669)	-	(340,669)
Other comprehensive (loss)/income for the financial period, net of tax		-	(340,669)	-	(340,669)
Total comprehensive income for the financial period		-	(340,669)	1,169,537	828,868
Balance at 31 May 2026		28,995,034	85,986	29,818,781	58,899,801

		Share capital US\$	Fair value reserve US\$	Retained earnings US\$	Total equity US\$
<u>Company</u>					
Balance at 1 March 2025		28,995,034	-	26,331,932	55,326,966
Profit for the financial period		-	-	2,699,451	2,699,451
<u>Other comprehensive income</u>					
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")		-	37,816	-	37,816
Other comprehensive (loss)/income for the financial period, net of tax		-	37,816	-	37,816
Total comprehensive income for the financial period		-	37,816	2,699,451	2,737,267
Balance at 31 May 2025		28,995,034	37,816	29,031,383	58,064,233

Condensed interim consolidated statements of cash flows

	Note	Group	
		31 May 2026 US\$	31 May 2025 US\$
Operating activities			
Profit before income tax		4,537,699	3,507,609
Adjustments for:			
Amortisation of mining properties		11,687	10,584
Depreciation of plant and equipment		990,249	450,943
Depreciation of right-of-use assets		26,322	24,072
Interest expenses		288,825	108,461
Interest income		(71,971)	(46,446)
Distribution from financial assets at FVTPL		(382)	(13,101)
Fair value gain on financial assets at FVTPL		-	(505)
Fair value changes on derivative financial instrument		277,661	(240,973)
Reversal of impairment losses on financial assets, net		-	(11,379)
Deposits written off		758	-
Plant and equipment written off		13,799	-
Gain on disposal of plant and equipment		-	(23,961)
Share of results from an associate, net of tax		5,590	-
Modification of lease contracts		-	693
Unrealised foreign exchange loss/(gain)		686,505	(609,153)
Operating cash flow before working capital changes		6,766,742	3,156,844
Working capital changes:			
Inventories		490,647	225,705
Trade and other receivables		(6,745,416)	1,719,073
Trade and other payables		1,372,753	(2,854,113)
Cash generated from operations		1,884,726	2,247,509
Income tax paid		(1,239,091)	(1,048,283)
Income tax refunded		-	55,556
Net cash flow generated from operating activities		645,635	1,254,782
Investing activities			
Additions of exploration and evaluation assets		(500,400)	(150,748)
Additions of mining properties		(408,055)	(3,452)
Additions of plant and equipment		(51,914)	(666,590)
Acquisition of subsidiaries, net of cash acquired		-	(78,681)
Proceeds from disposal of plant and equipment		56,615	137,836
Purchase of equity instrument at FVTOCI		-	(388,099)
Purchase of financial asset at fair value through profit or loss, net		(2,500,382)	59,338
Interest received		71,971	46,446
Distribution income received		382	13,101
Net cash flow used in investing activities		(3,331,783)	(1,030,849)
Financing activities			
Interest paid		(287,100)	(106,888)
Movement in short-term deposit pledged		-	-
Proceeds from bank borrowings		6,998,690	4,820,154
Repayments of bank borrowings		(8,104,685)	(3,289,130)
Repayment of lease liabilities		(27,844)	(26,553)
Net cash flow used in financing activities		(1,420,939)	1,397,583
Net change in cash and cash equivalents		(4,107,087)	1,621,516
Effects of exchange rate changes on cash and cash equivalents		476,392	234,516
Cash and cash equivalents at beginning of financial period		14,612,467	7,850,163
Cash and cash equivalents at end of financial period	11	10,981,772	9,706,195

Notes to the condensed interim consolidated financial statements

1. Corporate information

Fortress Minerals Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

These condensed interim financial statements as at and for the three months ended 31 May 2026 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are:

- (a) acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals;
- (b) transport of iron ore and minerals;
- (c) contractors for drilling and blasting works, other site preparation activities and mining work;
- (d) rental and leasing of industrial machinery, mining equipment and vehicles; and
- (e) provide support across the Group’s financial accounting, payroll, information technology, purchasing, corporate services and others.

2. Basis of preparation

The condensed interim financial statements for the three months period ended 31 May 2026 have been prepared in accordance with the Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore (“ASC”). The condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last audited annual financial statements for the financial year ended 28 February 2026.

The condensed interim financial statements of the Group have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

The condensed interim financial statements are presented in United States dollar (“US\$”), which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (“SFRS(I)s”) and Interpretations of SFRS(I) (“SFRS(I) INTs”) that are mandatory for the accounting periods beginning on or after 1 March 2026. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

2. Basis of preparation (continued)

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 28 February 2026.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- *Impairment assessment of mining assets*

The Group assesses these assets at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is determined as the higher of fair value less costs to sell and value in use. In determining if there are indicators of impairment of these assets, judgement is used to consider if there are external and internal sources of information that indicates these assets may be impaired. The Group has determined that there are no indications of impairment on mining assets taking into consideration the remaining estimated mining resource, production costs, iron ore prices and continuation of the production activities.

- *Assessment of significant influence over an associate*

The Group has exercised significant judgement in assessing its interest in North Ilocos Minerals Inc. and determined that it has significant influence, but not control or joint control, over the investee. This assessment is based on factors including the Group's shareholding interest, board representation, participation in policy-making processes, and relevant contractual arrangements. While certain reserved matters require shareholder approval, these rights are considered protective in nature and do not confer control over the investee's relevant activities. Accordingly, the investment has been classified as an associate and is accounted for using the equity method in accordance with SFRS(I) 1-28.

2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

- *Amortisation of mining properties*

Mining properties are amortised on a unit of production basis over the economically recoverable resources of the mine concerned except for the mining rights which are amortised over the term of permit. Management have engaged external expert to review and revise the estimates of the recoverable resources of the mines and remaining useful life and residual values of mining properties at the end of each reporting date. Any changes in estimates of the recoverable resource of the mine, the useful life, and residual values of the mining properties would impact the amortisation charges and consequently affect the Group's financial performance.

- *Impairment of goodwill arising from acquisition of Fortress Mengapur Group*

Management determines whether goodwill is impaired at least on an annual basis and whenever there is an indication that they are impaired. The process of evaluating potential impairment of goodwill requires significant judgements and assumptions. Management estimates the recoverable amount of the cash-generating-unit ("CGU") to which the goodwill has been allocated. The recoverable amount of the CGU is determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. Any excess of the carrying value over the discounted future cash flows are recognised as impairment loss in profit or loss.

- *Expected credit loss ("ECL") allowance on other receivables and deposits*

Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on other receivables and deposits, by considering forward looking information using industry market data and customer profile. For those where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

- *Impairment of exploration and evaluation assets*

Management assesses the exploration and evaluation assets for impairment in accordance with SFRS(I) 6 when facts and circumstances suggest that the carrying amount of the exploration and evaluation assets may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, management shall measure, present, and disclose any resulting impairment loss in accordance with SFRS(I) 1-36. The realisation of the carrying amount of exploration and evaluation assets is dependent on the Group's ability and intention to continue with the exploration. The carrying amount may also be impacted by the results of exploration work indicating that the exploration and evaluation assets may hold mineral resources that are commercially viable for extraction.

3. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“CODM”). Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has one (1) reportable segment being iron ore. The Group’s reportable segment is as follows:

- (i) Iron ore – exploration, mining, drilling and blasting works, production and sales of iron ore; and
- (ii) Others – Group’s remaining minor trading and investment holding activities which are not included within reportable segment as they are not separately reported to the CODM and they contribute minor amounts of income to the Group.

3.1 Reportable segments

	Iron Ore US\$	Others US\$	Group US\$
1 March 2026 to 31 May 2026			
Revenue			
External customers, representing total revenue	19,694,774	-	19,694,774
Results:			
Interest income from financial institutions	71,971	-	71,971
Distribution from financial assets at FVTPL	382	-	382
Amortisation of mining properties	(11,687)	-	(11,687)
Depreciation of right-of-use assets	(26,322)	-	(26,322)
Depreciation of plant and equipment	(990,249)	-	(990,249)
Interest expense	(288,825)	-	(288,825)
Segment profit/(loss)	5,032,505	(494,806)	4,537,699
Assets:			
Additions to non-current assets	5,636,489	-	5,636,489
Segment assets	140,150,117	2,993,454	143,143,571
Segment liabilities	(44,899,070)	(236,303)	(45,135,373)

(the remainder of this page is intentionally left blank)

3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

1 March 2025 to 31 May 2025	Iron Ore US\$	Others US\$	Group US\$
Revenue			
External customers, representing total revenue	15,923,618	-	15,923,618
Results:			
Interest income from financial institutions	46,446	-	46,446
Distribution from financial assets at FVTPL	13,101	-	13,101
Fair value gain on financial assets at FVTPL	505	-	505
Gain on disposal of plant and equipment	23,961	-	23,961
Amortisation of mining properties	(10,584)	-	(10,584)
Depreciation of right-of-use assets	(24,072)	-	(24,072)
Depreciation of plant and equipment	(450,943)	-	(450,943)
Interest expense	(108,461)	-	(108,461)
Segment profit/(loss)	3,385,246	122,363	3,507,609
Assets:			
Additions to non-current assets	1,383,959	-	1,383,959
Segment assets	107,273,859	2,836,410	110,110,269
Segment liabilities	(25,569,615)	(193,476)	(25,763,091)

3.2 Disaggregation of revenue

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Geographical information:		
Malaysia	17,084,178	14,612,735
People's Republic of China	2,610,596	1,310,883
	<u>19,694,774</u>	<u>15,923,618</u>
Timing of revenue recognition:		
At a point in time	<u>19,694,774</u>	<u>15,923,618</u>

Seasonality of operations

The Group's business is not affected significantly by seasonal or cyclical factors during the financial period.

4. Profit before income tax

4.1 Significant items

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Income		
Foreign exchange (loss)/gain, net	(706,383)	565,992
Gain on disposal of plant and equipment, net	-	23,961
Expenses		
Amortisation of mining properties	11,687	10,584
Depreciation charge of:		
- plant and equipment	990,249	450,943
- right-of-use assets	26,322	24,072
Interest expenses on:		
- borrowings	287,099	106,841
- lease liabilities	1,726	1,620
Commission expense	95,416	124,982
Handling and transportation	1,015,759	716,750
Royalty expense	1,524,715	1,073,914
Upkeep of machinery	683,341	629,809
Upkeep of motor vehicles	369,630	238,260

4.2 Related party transactions

Material transactions with related parties are as follows:

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Transactions with entities of common major shareholder of the Company		
Lease payments	15,153	13,723

(the remainder of this page is intentionally left blank)

4. Profit before income tax (continued)

4.2 Related party transactions (continued)

Key management personnel remuneration

Key management personnel are directors of the Company and subsidiaries and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly, or indirectly. The details of their remunerations are as follows:

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Directors' fees	135,432	143,312
Salaries and other emoluments	1,014,693	833,989
Contributions to defined contribution plans	121,624	99,507
Social security contributions	291	305
	<hr/>	<hr/>
	1,272,040	1,077,113
	<hr/>	<hr/>

5. Income tax expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Current income tax expense	1,517,032	814,718
Deferred tax relating to (reversal)/ origination of temporary differences	(238,430)	215,107
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	1,278,602	1,029,825
	<hr/>	<hr/>

6. Earnings per ordinary share (“EPS”)

Group	Three months ended	
	31 May 2026 US\$	31 May 2025 US\$
Net profit attributable to owners of the Company (US\$)	3,304,714	2,458,963
Weighted average number of ordinary shares	523,316,100	523,316,100
Basic and diluted EPS (US cents)	0.63	0.47

The basic and diluted EPS are the same as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and of the Company as at 31 May 2026 and 28 February 2026:

	Group		Company	
	31 May 2026 US\$	28 February 2026 US\$	31 May 2026 US\$	28 February 2026 US\$
Financial assets carried at amortised cost				
Trade receivables	6,527,527	2,535,170	-	-
Other receivables and deposits (excluding prepayments)	5,875,338	5,894,635	1,500,000	1,500,059
Amounts due from subsidiaries	-	-	30,792,286	30,676,077
Cash and bank balances	10,981,772	14,612,467	191,479	335,784
	23,384,637	23,042,272	32,483,765	32,511,920
Financial assets carried at fair value				
Equity instrument at FVTOCI ⁽¹⁾	474,085	814,754	474,085	814,754
Derivative financial instrument at FVTPL ⁽²⁾	242,054	519,715	242,054	519,715
Financial assets at FVTPL	2,505,035	4,687	2,503,033	3,005
	3,221,174	1,339,156	3,219,172	1,337,474
Total financial assets	26,605,811	24,381,428	35,702,937	33,849,394
Presented as				
Current assets	25,889,672	23,046,959	34,986,798	32,514,925
Non-current assets	716,139	1,334,469	716,139	1,334,469

7. Financial assets and financial liabilities (continued)

	Group		Company	
	31 May 2026 US\$	28 February 2026 US\$	31 May 2026 US\$	28 February 2026 US\$
Financial liabilities carried at amortised cost				
Banks borrowings	23,124,392	18,110,712	-	-
Lease liabilities	143,885	164,366	-	-
Trade payables	2,090,942	1,328,392	-	-
Other payables and accruals	12,747,845	13,871,359	226,218	109,425
Amounts due to subsidiaries	-	-	17,037,306	16,129,424
	38,107,064	33,474,829	17,263,524	16,238,849
Financial liability carried at fair value				
Contingent consideration ⁽³⁾	2,551,316	2,551,316	2,551,316	2,551,316
Total financial liabilities	40,658,380	36,026,145	19,814,840	18,790,165
Presented as				
Current liabilities	27,606,902	26,740,355	17,263,524	16,301,983
Non-current liabilities	13,051,478	9,285,790	2,551,316	2,488,182

- (1) The Company holds an equity interest in Norwest Minerals Ltd (“NML”), a company listed on the Australian Securities Exchange. The investment is classified as an equity instrument designated at FVTOCI. This classification reflects the strategic nature of the investment, which is not held for trading. The fair value of the investment is determined based on quoted market prices in an active market and is presented as a Level 1 financial instrument under the fair value hierarchy. Changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with no subsequent reclassification to profit or loss.
- (2) As part of the equity investment in NML, the Company received free options to acquire additional shares in NML. These options are recognised as derivative financial instruments and are measured at fair value through profit or loss. The fair value is determined using the Black-Scholes option pricing model, incorporating observable market inputs such as the underlying share price, expected volatility, risk-free interest rate, strike price, and time to maturity. The instrument is classified within Level 2 of the fair value hierarchy. Changes in fair value are recognised in profit or loss as they occur.
- (3) As part of the acquisition of the entire issued and paid-up share capital in Fortress Mengapur Group from Monument Mining Limited (the “Vendor”), the Company had also on the same date entered into a royalty agreement with the Vendor for the payment of royalties by the Company at the rate of 1.25% of gross revenue on all mineral products produced in forms ready for sale from the area within the boundaries of the entire tenements held by the subsidiaries namely CASB and SDSB, save for free digging oxide magnetite iron materials contained on the top soil at certain areas of the tenement held by CASB in accordance with the terms thereof. This portion of the consideration was determined to be contingent, as it is based on the performance of Fortress Mengapur Group.

As at 31 May 2026, the condition of Fortress Mengapur Group indicated that it is highly probable that the performance indicator would be achieved, supported by the continued development of mining activities. Accordingly, the fair value of the contingent consideration determined at 31 May 2026 remained consistent with the underlying valuation assumptions.

The fair value is determined using the discounted cash flow method. This is a level 3 fair value measurement.

7. Financial assets and financial liabilities (continued)

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following presented the financial assets and financial liability measured at fair value.

	Fair value measurement using			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$	
Group				
31 May 2026				
<u>Financial assets</u>				
Equity instrument at FVTOCI	474,085	-	-	474,085
Derivative financial instrument at FVTPL	-	242,054	-	242,054
Financial asset at FVTPL	-	2,505,035	-	2,505,035
<u>Financial liability</u>				
Contingent consideration	-	-	2,551,316	2,551,316
28 February 2026				
<u>Financial assets</u>				
Equity instrument at FVTOCI	814,754	-	-	814,754
Derivative financial instrument at FVTPL	-	519,715	-	519,715
Financial asset at FVTPL	-	4,687	-	4,687
<u>Financial liability</u>				
Contingent consideration	-	-	2,551,316	2,551,316
Company				
31 May 2026				
<u>Financial asset</u>				
Equity instrument at FVTOCI	474,085	-	-	474,085
Derivative financial instrument at FVTPL	-	242,054	-	242,054
Financial asset at FVTPL	-	2,503,033	-	2,503,033
<u>Financial liability</u>				
Contingent consideration	-	-	2,551,316	2,551,316

7. Financial assets and financial liabilities (continued)

Fair value hierarchy (continued)

The following presented the financial assets and financial liability measured at fair value. (continued)

	Fair value measurement using			Total US\$
	Level 1 US\$	Level 2 US\$	Level 3 US\$	
Company				
28 February 2026				
<u>Financial asset</u>				
Equity instrument at FVTOCI	814,754	-	-	814,754
Derivative financial instrument at FVTPL	-	519,715	-	519,715
Financial asset at FVTPL	-	3,005	-	3,005
<u>Financial liability</u>				
Contingent consideration	-	-	2,551,316	2,551,316

8. Mining properties

During the financial period ended 31 May 2026, the Group incurred addition of mining properties expenditures amounting to US\$0.5 million (31 May 2025: US\$3,452) reflecting the Group's ongoing commitment to improve existing mines and sustain mining operations.

9. Plant and equipment

Acquisitions and disposals

During the financial period ended 31 May 2026, the Group acquired plant and equipment with cost of US\$4.7 million (31 May 2025: US\$1.2 million), of which US\$4.6 million (31 May 2025: US\$0.5 million) was financed by asset financing.

In the previous financial period ended 31 May 2025, plant and equipment with net book value of US\$0.1 million were disposed of by the Group, resulting in a net gain on disposal of US\$23,961. There were no disposal of plant and equipment in the current financial period.

10. Right-of-use assets

The Group leases office space, hostels and storage space in Malaysia. During the financial period ended 31 May 2026, the Group recognised addition of right-of-use assets for premises amounting to US\$4,462 (31 May 2025: US\$11,285).

The Group renegotiated and modified existing lease contracts for certain premises during the financial period ended 31 May 2026 which were accounted for as a lease modification with increase to the right-of-use assets and lease liabilities of US\$4,450 and US\$4,450 (31 May 2025: US\$3,531 and US\$2,838) respectively, resulting in no gain or loss on modification of lease contracts (31 May 2025: Loss on lease modification of US\$693).

11. Cash and bank balances

	Group		Company	
	31 May 2026 US\$	28 February 2026 US\$	31 May 2026 US\$	28 February 2026 US\$
Cash at banks	10,957,871	14,584,302	191,479	335,784
Cash on hand	23,901	28,165	-	-
Cash and cash equivalents as per consolidated statement of cash flows	<u>10,981,772</u>	<u>14,612,467</u>	<u>191,479</u>	<u>335,784</u>

12. Share capital

	Group and Company			
	31 May 2026		28 February 2026	
	Number of shares	Amount US\$	Number of shares	Amount US\$
Total number of issued shares excluding treasury shares	<u>523,316,100</u>	<u>28,995,034</u>	<u>523,316,100</u>	<u>28,995,034</u>

The Company did not have any treasury shares as at 31 May 2026. There were no subsidiary holdings during and as at the end of the current financial period reported on.

13. Dividends

	Group	
	31 May 2026 US\$	28 February 2026 US\$
<u>Ordinary dividends paid:</u>		
In respect of financial year ended 28 February 2025:		
- Final one-tier tax exempt dividend of 0.46 Singapore cents (equivalent to 0.36 US cents) per ordinary share	-	1,870,109
	-	<u>1,870,109</u>

14. Net Asset Value

	Group		Company	
	31 May 2026 US\$	28 February 2026 US\$	31 May 2026 US\$	28 February 2026 US\$
Net asset value ("NAV") (US\$)	98,505,058	96,774,815	58,899,801	58,070,933
Total number of issued shares excluding treasury shares	523,316,100	523,316,100	523,316,100	523,316,100
NAV per Share (US cents)	<u>18.82</u>	<u>18.49</u>	<u>11.26</u>	<u>11.10</u>

15. Borrowings and lease liabilities

	Group	
	31 May 2026 US\$	28 February 2026 US\$
<u>Repayable within one year or on demand</u>		
Secured		
- Bank borrowings	12,690,389	11,393,152
Unsecured		
- Leases liabilities	77,726	84,318
	<u>12,768,115</u>	<u>11,477,470</u>
<u>Repayable after one year</u>		
Secured		
- Bank borrowings	10,434,003	6,717,560
Unsecured		
- Leases liabilities	66,159	80,048
	<u>10,500,162</u>	<u>6,797,608</u>

The Group's secured borrowings as at 31 May 2026 comprised bank borrowings which were used to finance the purchase of certain plant and equipment and are secured over certain of the Group's motor vehicles and machinery with carrying amounts amounted to US\$17.8 million (28 February 2026: US\$12.6 million).

16. Capital commitments

As at the end of reporting period, commitments in respect of capital expenditures are as follows:

	Group	
	31 May 2026 US\$	28 February 2026 US\$
Capital expenditures contracted but not provided for		
- Plant and equipment	3,291,762	3,974,593

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Part II – Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed interim statements of financial position of Fortress Minerals Limited and its subsidiaries as at 31 May 2026 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of financial position, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the fourth quarter and twelve months then ended and the selected explanatory notes have not been audited or reviewed by the Company's auditors.

The Group's latest audited financial statements for the financial year ended 28 February 2026 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Condensed interim consolidated statement of profit or loss and other comprehensive income

Revenue

Below is a summary of the iron ore sales performance of the Group for the financial period ended 31 May 2026 ("1Q FY2027") and the comparative financial period ended 31 May 2025 ("1Q FY2026").

	1Q FY2027	1Q FY2026	Increase (%)
Sold (DMT*)	211,617	194,946	8.6
Revenue realised ⁽¹⁾ (US\$)	19,718,571	16,044,528	22.9
Average realised selling price (US\$/DMT)	93.18	82.30	13.2

* DMT denotes Dry Metric Tonnes

⁽¹⁾ Excluding effect of foreign exchange.

As shown in the table above, the Group recorded revenue of US\$19.7 million in 1Q FY2027, being 8.6% or US\$3.8 million higher than 1Q FY2026 due to higher volume sold in the current financial period. This increase was mainly derived from an increase in local and export sales, reflecting resilient demand from regional markets.

The increase was also contributed by the higher average realised selling price of US\$93.18/DMT recorded in 1Q FY2026, an increase of 13.2% or US\$10.88/DMT due to the average benchmark IODEX CFR North China of Platts Daily Iron Ore Assessments price indices strengthening in 1Q FY2027 as compared to 1Q FY2026.

Cost of sales

	1Q FY2027	1Q FY2026	Increase/ (Decrease) (%)
Sold (WMT*)	230,494	213,700	7.9
Cost of sales (US\$)	7,036,844	7,834,449	(10.2)
Average unit cost of sales (US\$/WMT)	30.53	36.66	(16.7)

* WMT denotes Wet Metric Tonnes

The Group's cost of sales decreased by 10.2% to US\$7.0 million in 1Q FY2027. Furthermore, the Group's average unit cost of sales decreased by 16.7% or US\$6.13/WMT to US\$30.53/WMT in 1Q FY2027, mainly due to higher production volumes that resulted in cost savings from economies of scale.

Gross profit and gross profit margin

As a result of the abovementioned reasons, gross profit for 1Q FY2027 of US\$12.7 million was US\$4.6 million higher than 1Q FY2026 and gross profit margin increased 13.5% to 64.3% in 1Q FY2027.

Other income

The Group's other income decreased by US\$0.7 million to US\$0.1 million in 1Q FY2027. The decrease was mainly due to a decrease in unrealised gain on foreign exchange differences by US\$0.6 million due to the strengthening of exchange rate movement of RM against USD.

Selling and distribution expenses

Selling and distribution expenses increased by US\$0.7 million to US\$3.0 million in 1Q FY2027, which comprise mainly royalty expenses and transportation charges. This is consistent with the increase in volume sold in 1Q FY2027.

Other operating expenses

The Group's other operating expenses comprise mainly employee benefits expenses and plant maintenance expenses. Other operating expenses increased by US\$0.7 million to US\$3.6 million in 1Q FY2027 which was primarily due to the following:

- an increase in employee benefits expenses by US\$0.4 million due to higher staff headcount and adjustments to provisions for bonus in 1Q FY2027; and
- an increase in repair and maintenance costs by US\$0.3 million, due to higher maintenance requirements and equipment repairs during the financial period.

Administrative expenses

Administrative expenses comprise mainly miscellaneous expenses incurred to provide support for general business activities. Administrative expenses increased by US\$0.7 million to US\$1.1 million in 1Q FY2027 mainly due to increase in unrealised loss on foreign exchange differences by US\$0.7 million due to the strengthening of exchange rate movement of RM against USD.

Reversal of impairment losses on financial assets, net

The reversal of impairment loss on a financial asset in 1Q FY2026 amounting to US\$11,379 comprises cash recoveries of amounts previously impaired in prior reporting periods. Such reversal is absent in 1Q FY2027.

Fair value changes on derivative financial instrument

A fair value loss of US\$0.3 million was recognised in 1Q FY2027. This movement relates to the adjustment for fair value changes in the free options received as part of the investment in NML (Refer to Part I Note 7).

Finance costs

Finance costs comprised interest expenses on bank borrowings and lease liabilities which had increased by US\$0.2 million to US\$0.3 million in 1Q FY2027 mainly due to drawdown of additional bank borrowings for asset financing.

Share of results of associates

Share of results of associates relates to the Group's investments in mining and/or exploration activities in the Philippines and Malaysia, where certain projects are at an early stage and in the process of obtaining the relevant mining or exploration rights.

Income tax expense

Income tax expense increased by US\$0.2 million to US\$1.3 million in 1Q FY2027.

The Group's effective tax rate in 1Q FY2027 was 28.2%, which is higher than the Group's applicable tax rate of 24% mainly due to non-deductibility of certain expenses and losses in certain subsidiaries, thus the inability to offset against taxable profits in other subsidiaries within the Group.

Profit after income tax

Our Group's profit after income tax in 1Q FY2027 increased by US\$0.8 million or 31.5%, to US\$3.3 million from US\$2.5 million in 1Q FY2026 as a result of the aforementioned reasons.

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The comparative performance of the assets and liabilities listed below is based on the financial statements as at 31 May 2026 and 28 February 2026.

Condensed interim statements of financial position

Non-current assets

Non-current assets comprise investments in associates, equity instrument at FVTOCI, derivative financial instrument, exploration and evaluation assets, mining properties, plant and equipment, right-of-use assets and intangible assets. The Group's non-current assets increased by US\$1.1 million from US\$100.1 million as at 28 February 2026 to US\$101.2 million as at 31 May 2026.

Investments in associates amounting to US\$0.6 million as at 31 May 2026 relates to the Group's investments in mining and/or exploration activities in the Philippines and Malaysia, where certain projects are at an early stage and in the process of obtaining the relevant mining or exploration rights. These investments are accounted for using the equity method in accordance with SFRS(I) 1-28 *Investments in Associates and Joint Ventures*.

Equity instrument at FVTOCI comprised the equity interest in NML, a company listed on the Australian Securities Exchange ("ASX"). As at 31 May 2026, the fair value of the equity instrument decreased to US\$0.5 million, based on quoted market prices on the ASX.

Derivative financial instrument comprises free options received as part of the equity investment in NML. As at 31 May 2026, the fair value of the derivative financial instrument decreased to US\$0.2 million, based on a valuation using the Black-Scholes option pricing model, incorporating observable market inputs.

Exploration and evaluation assets increased by US\$0.4 million to US\$5.9 million as at 31 May 2026, primarily due to on-going exploration activities undertaken by the Group at the Bukit Besi and CASB mines and other early-stage exploration areas.

Mining properties decreased by US\$0.7 million to US\$50.3 million as at 31 May 2026. The decrease is primarily attributable to:

- the amortisation charges of US\$0.3 million; and
- the effects of exchange translation differences of US\$0.8 million due to the weakening of exchange rate movement of RM against USD.

However, the decrease was partially offset by the on-going mining construction works of US\$0.4 million incurred during the current financial period.

Plant and equipment increased by US\$2.1 million to US\$40.0 million as at 31 May 2026 from US\$37.9 million as at 28 February 2026. The increase was mainly due to the following:

- construction work-in-progress of processing plants in the Bukit Besi and CASB mine amounting to US\$2.7 million and US\$1.9 million, respectively; and
- additions of motor vehicles amounting to US\$0.1 million.

The increase was partially offset by the depreciation charges of US\$1.8 million and effects of exchange translation differences of US\$0.8 million.

Right-of-use assets at the Group level relate to leases of office space, hostels and storage space for use at the head office and Bukit Besi mine. Right-of-use assets remained consistent at US\$0.1 million as at 31 May 2026.

The intangible asset comprised the goodwill arising from the acquisition of Fortress Mengapur Group and computer software. The intangible asset decreased by US\$0.1 million to US\$3.5 million as at 31 May 2026 due to the effects of exchange translation differences of US\$0.1 million from the weakening of exchange rate movement of RM against USD.

Current assets

As at 31 May 2026, the Group's current assets remained strong and stood at US\$41.9 million compared to US\$37.1 million as at 28 February 2026. The increase was mainly attributable to the following:

- increase in inventories by US\$0.3 million attributable to an increase in production and consumable inventories, driven by a higher production volume relative to the achieved sales volume;
- increase in trade receivables by US\$4.0 million due to a higher outstanding trade receivables as at 31 May 2026 which is consistent with the higher sales volume in the final month of 1Q FY2027 as compared to that as at end of FY2026;
- increase in other receivables, deposits and prepayments by US\$1.9 million, which was primarily due to the higher prepayments to suppliers for purchase of plant and equipment of US\$2.0 million in 1Q FY2027; and
- increase in financial assets at FVTPL by US\$2.5 million which comprise money-market funds as at 31 May 2026, attributable to placement of funds during the financial period.

However, it was partially offset by:

- the decrease in cash and bank balances of US\$3.6 million primarily due to the net cash flow generated from operating activities being lower than the net cash flow used in investing and financing activities in 1Q FY2027; and

- the decrease in current income tax receivables by US\$0.4 million in 1Q FY2027 attributable to lower tax installments paid to tax authorities compared to the tax provision for the same financial period.

Non-current liabilities

As at 31 May 2026, the Group's non-current liabilities increased by US\$3.5 million to US\$17.5 million from US\$14.0 million as at 28 February 2026.

The increase was mainly due to the increase in non-current bank borrowings of US\$3.7 million due to drawdown for asset financing during 1Q FY2027.

Current liabilities

As at 31 May 2026, the Group's current liabilities increased by US\$0.8 million from US\$26.8 million as at 28 February 2026 to US\$27.6 million.

The increase was primarily due to the drawdown of asset financing and trade financing of amounting to US\$2.6 million and US\$7.0 million, respectively.

However, the increase was partially offset by the repayment of bank borrowings of US\$8.1 million made in 1Q FY2027, the decrease in trade and other payables of US\$0.4 million due to higher repayments made in 1Q FY2027, and the effects of exchange translation differences of US\$0.2 million on bank borrowings in 1Q FY2027.

Working capital

Consequent to the Group's profitability and positive net operating cashflow, the Group continues to record a positive working capital position of US\$14.3 million as at 31 May 2026 as compared to US\$10.2 million as at 28 February 2026.

Condensed interim consolidated statements of cash flows

In 1Q FY2027, the Group's net cash generated from operating activities decreased to US\$0.6 million as compared to US\$1.3 million in 1Q FY2026.

The operating cash flow before working capital changes increased by US\$3.6 million to US\$6.8 million as compared to US\$3.2 million in 1Q FY2026. After adjusting for the decreased working capital inflows of US\$4.0 million, which was mainly attributable to the lower collection from trade and other receivables of US\$8.5 million, mitigated by the increased inventory levels of US\$0.3 million and lower repayments made to trade and other payables of US\$4.2 million. The Group's net cash flow generated from operating activities decreased by US\$0.6 million to US\$0.6 million in 1Q FY2027.

In 1Q FY2027, the Group's net cash flow used in investing activities increased by US\$2.3 million to US\$3.3 million as compared to US\$1.0 million in 1Q FY2026. The increase was primarily attributable to:

- increase in capital investment related to exploration and evaluation assets, mining properties, and plant and equipment by US\$0.1 million;
- increase in placement of financial asset at FVTPL which comprise money market funds by US\$2.6 million in 1Q FY2027; and
- decrease in proceeds from disposals of plant and equipment of US\$0.1 million in 1Q FY2027.

However, the increase was partially offset by the decrease in purchase consideration for acquisition of subsidiaries by US\$0.1 million and decrease in purchase consideration of US\$0.4 million for an equity instrument classified as FVTOCI.

In 1Q FY2027, the Group's net cash flow used in financing activities amounted to US\$1.4 million, as compared to net cash flow generated from financing activities of US\$1.4 million in 1Q FY2026. The increase in net cash flow used in financing activities was primarily due to:

- the increase in repayments of bank borrowings of US\$4.8 million as compared to 1Q FY2026; and
- the increase in interest paid for bank borrowings of US\$0.2 million as compared to 1Q FY2026.

However, the increase was partially offset by the increase in proceeds from bank borrowings of US\$2.2 million in 1Q FY2027 as compared to 1Q FY2026.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or prospect statement previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Market outlook

Global crude steel production remained softer entering FY2027 amid uneven demand conditions across major steel-producing markets, although the pace of decline moderated in May 2026. According to the World Steel Association, crude steel production across 70 countries was 157.9 million tonnes ("Mt") in May 2026, down 0.3% year-on-year ("yoy"), while production for January to May 2026 totalled 773.1 Mt, down 1.5% yoy. China, the world's largest steel producer, recorded a 3.9% yoy decline to 415.5 Mt over the five-month period, while India's production increased by

7.8% yoy to 72.9 Mt, reflecting uneven production trends across major steel-producing markets.¹

China's domestic steel demand continues to face headwinds amid the ongoing adjustment in its property sector, while policy attention remains on managing output, excess capacity and trade flows. The World Steel Association expects China's steel demand to decline by 1.5% in 2026 before stabilising in 2027.² Industry-wide, the OECD Steel Outlook 2026 noted that global steel excess capacity could increase to 745 Mt by 2028, with capacity utilisation potentially easing from 76% in 2025 to 74% or lower by 2028.³ These factors are expected to continue influencing industry margins, trade flows and steel market pricing across global markets.

Despite softer demand conditions in China, 2026 steel demand is expected to show modest growth. The World Steel Association forecasts global steel demand to grow by 0.3% in 2026 and 2.2% in 2027, while steel demand excluding China is forecast to grow by 1.9% in 2026 and 4.0% in 2027. Separately, the Southeast Asia Iron and Steel Institute expects ASEAN-6 (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) apparent steel consumption to reach 87.9 Mt in 2026, although import penetration and energy costs remain key pressure points for regional steel producers.⁴

The regional macroeconomic picture remains generally resilient but subject to external risks. Malaysia's economy expanded by 5.4% in the first quarter of 2026, supported by domestic demand growth of 5.2%. However, the Ministry of Finance Malaysia noted that a prolonged conflict in West Asia could increase energy, logistics and input costs, and weigh on domestic demand, business costs and overall growth momentum.⁵ In parallel, UN Trade and Development noted that trade momentum carried into early 2026, but is expected to slow later in the year given persistent trade tensions and rising trade costs.⁶

Against this backdrop, demand for the Group's high-grade iron ore concentrate, as a key steelmaking input, is expected to remain supported by ongoing infrastructure and industrial activity across regional markets, alongside existing and new offtake agreements secured with a domestic steel mill in Malaysia. At the same time, the Group expects the operating environment to remain fluid, with steel and iron ore pricing and customer procurement decisions influenced by China's supply-demand rebalancing, global overcapacity and trade actions, and evolving geopolitical and logistics conditions impacting energy costs. The Group will continue to monitor these developments closely and maintain operational and commercial flexibility to navigate near-term market volatility.

¹ World Steel Association, 23 June 2026: [Crude Steel Production](#)

² World Steel Association, 14 April 2026: [Short Range Outlook April 2026](#)

³ OECD, 4 June 2026: [OECD Steel Outlook 2026](#)

⁴ South East Iron and Steel Institute, 18 May 2026: [ASEAN steel demand to keep improving in 2026, but market faces import penetration and Iran war impact](#)

⁵ Malaysia Ministry of Finance, 15 May 2026: [Malaysia's Economy Grows 5.4% in Q1 2026, Outpacing Expectations Amid Global Uncertainty](#)

⁶ UN Trade and Development, April 2026: [Global Trade Update](#)

Operational Developments

The Group continues to prioritise commercial visibility and disciplined execution as it advances its operational roadmap. In addition to the two 24-month offtake agreements entered into in August 2025 with a domestic steel mill in Malaysia, which provide longer-dated delivery visibility, the Group entered into a new 12-month offtake agreement in April 2026 with the same domestic steel mill, further strengthening its domestic presence with a leading steel mill.

At the Bukit Besi mine, the Group remains focused on enhancing production capabilities and efficiency as it services new and ongoing offtake commitments. The construction of a new crushing plant was completed in 1Q FY2026, and the Group has aligned its commissioning with the targeted completion of the integrated processing facility in FY2027, supporting a more optimised production capability.

At the CASB mine, the Group continues to advance technical studies and project development activities based on the current Mineral Resource model. Preliminary open pit optimisation and early-stage economic assessments continue to indicate the potential for a large-scale operation with a higher-value central zone. Ongoing work is focused on refining the Mineral Resource model and advancing mine design, scheduling, cost modelling and other technical studies to support future feasibility studies. In parallel, pilot plant development activities continue in support of future trial production of iron ore, copper and pyrrhotite concentrates.

At the Seri Bandi mine, the Group continues to advance the development of its mining and processing facilities in line with its expansion strategy. Development activities remain ongoing as the Group progresses the project towards the commencement of iron ore concentrate production, with the plant designed for a throughput capacity of approximately 600,000 tonnes per annum.

The Group continues to seek opportunities to grow its commodities portfolio in a disciplined manner via acquisitions, investments, 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.

(the remainder of this page is intentionally left blank)

- 5. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the issued and paid-up share capital of the Company from 28 February 2026 to 31 May 2026. The Company's share capital was US\$28,995,034 comprising 523,316,100 shares as at 31 May 2026 and 28 February 2026.

There were no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 May 2026 and 31 May 2025.

- 6. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	As at 31 May 2026	As at 28 February 2026
Total number of issued shares excluding treasury shares	523,316,100	523,316,100

The Company did not have any treasury shares as at 31 May 2026 and 28 February 2026.

- 7. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

- 8. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

9. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Section 2.1 and 2.3 of Part I above, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial year ended 28 February 2026.

10. Dividend information

a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for the current reporting period.

b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended for the corresponding reporting period.

c) Whether the dividend is before tax, net of tax or tax exempt

Not applicable.

d) Date payable

Not applicable.

e) Books closure date

Not applicable.

11. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended during 1Q FY2027 to enable the Group to conserve cash for its working capital purposes.

12. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs. In 1Q FY2027, there were no interested person transactions of S\$100,000 and above.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)).

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group only has 1 operating segment, and the factors leading to any material changes in contribution to the Group's revenue and earnings has been disclosed in Para 2 of Part II – Other information required by Appendix 7C of the Catalist Rules above.

15. Use of funds/cash by mineral, oil and gas companies pursuant to Rule 705(6)

i. Use of funds/cash for the quarter: -

During 1Q FY2027, funds/cash was mainly used for the following production activities, as compared to the projections: -

Purpose	Amount (US\$ million)	
	Actual	Projected
Exploration and evaluation activities	0.50	0.50
Cost of sales	7.04	7.35
Selling and distribution costs	2.97	2.06
Total	10.51	9.91

During 1Q FY2027, the Group's cost of sales was slightly lower than the projected amount by US\$0.3 million which was mainly due to higher production volumes that resulted in cost savings from economies of scale.

In 1Q FY2027, the selling and distribution costs were higher than the projected amount by US\$0.91 million, due to higher royalty expenses and transportation charges which are in line with higher sales volume in 1Q FY2027 as compared to the projected sales volume.

The Group utilised the originally planned funds in exploration and evaluation activities in 1Q FY2027 on the on-going exploration activities undertaken by the Group at the various exploration areas during the quarter under review.

15. Use of funds/cash by mineral, oil and gas companies pursuant to Rule 705(6) (continued)

ii. Projection on the use of funds/cash for the next immediate quarter, including material assumptions: -

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.60
Cost of sales	6.96
Selling and distribution costs	2.75
Total	10.31

The Group will continue its exploration and evaluation activities at its East, Valley and West Deposits of Bukit Besi Mine, tenements held by Fortress Mengapur Group and other early-stage exploration areas during the second quarter of FY2027 (“2Q FY2027”). Prospecting activities in Sabah remain on hold, and the Group has reallocated its resources to other projects and operations in the interim.

Total exploration and evaluation expenses, cost of sales, and selling and distribution costs expected to be incurred are as tabulated above.

16. Pursuant to Rule 705(7) - Details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

The Group has continued to carry out exploration and evaluation activities at our East, Valley and West Deposits at Bukit Besi mine, tenements held by Fortress Mengapur Group and other early-stage exploration areas. These exploration and evaluation activities include ground and air-borne geological survey, sampling, exploration and laboratory assay activities. All of these activities are being undertaken by our in-house team of geologists. Cost incurred for these exploration and evaluation activities are as tabulated in Section 15 above. Prospecting activities in Sabah are expected to resume once the respective licences are successfully renewed. The Group is currently still awaiting responses from the relevant authorities. In the interim, the Group has reallocated its resources to other projects and operations.

17. PART III – ADDITIONAL INFORMATION REQUIRED PURSUANT TO CATALIST RULE 706A

i. Acquisition of Fortress Au Sdn. Bhd. (formerly known as Tempest Wind Energy Sdn. Bhd.) (“FASB”)

On 9 March 2026, an indirect wholly-owned subsidiary of the Company, Fortress Core Holdings Sdn. Bhd., has acquired 100,000 ordinary shares (representing 100% of the shareholding) in the share capital of FASB from a related company in which a director of the Company has a financial interest for a cash consideration of MYR100,000 (approximately US\$25,000), paid upon transfer of shares.

17. PART III – ADDITIONAL INFORMATION REQUIRED PURSUANT TO CATALIST RULE 706A (continued)

i. Acquisition of Fortress Au Sdn. Bhd. (formerly known as Tempest Wind Energy Sdn. Bhd.) (“FASB”) (continued)

The purchase consideration was arrived at after arm's length negotiations, on a willing buyer-willing seller basis after taking into consideration that the net asset value of FASB as at the acquisition date was MYR100,000, comprising principally cash and bank balances, which was approximately equal to the purchase consideration.

The intended principal activity of FASB is for acquisition of mines, mining rights, quarries and trading in minerals. However, FASB has remained dormant since its date of incorporation. The current share capital of FASB is MYR100,000 and FASB has a shareholders' fund of MYR100,000 as at the acquisition date.

The acquisition of FASB is not expected to have any significant impact on the net tangible assets and earnings per share of the Group for the financial year ending 28 February 2027.

ii. Acquisition of Tempest Energy Holdings Sdn. Bhd. (“TESB”)

On 13 March 2026, an indirect wholly-owned subsidiary of the Company, Fortress Core Holdings Sdn. Bhd., has acquired 100,000 ordinary shares (representing 100% of the shareholding) in the share capital of TESB from a related company in which a director of the Company has a financial interest for a cash consideration of MYR100,000 (approximately US\$25,000), paid upon transfer of shares.

The purchase consideration was arrived at after arm's length negotiations, on a willing buyer-willing seller basis after taking into consideration that the net asset value of TESB as at the acquisition date was MYR100,000, comprising principally cash and bank balances, which was approximately equal to the purchase consideration.

The intended principal activity of TESB is for acquisition of mines, mining rights, quarries and trading in minerals. However, TESB has remained dormant since its date of incorporation. The current share capital of TESB is MYR100,000 and TESB has a shareholders' fund of MYR100,000 as at the acquisition date.

The acquisition of TESB is not expected to have any significant impact on the net tangible assets and earnings per share of the Group for the financial year ending 28 February 2027.

Save as disclosed above, there was no incorporation of new entities, other acquisitions and realisation of shares during 1Q FY2027.

**BY ORDER OF THE BOARD OF
FORTRESS MINERALS LIMITED**

Dato' Sri Ivan Chee
Chief Executive Officer
1 July 2026

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Confirmation by the Board pursuant to Catalist Rule 705(6)(b)

On behalf of the Board of Directors of the Company, we the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the 3-months ended 31 May 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dato' Sri Ivan Chee
Executive Director

Edmund Chee Ji Kang
Executive Director

Singapore
1 July 2026