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PRESS RELEASE

Fortress Minerals reports 31.5% yoy growth in net profit to US$3.3 million for 1Q FY2027

- Revenue for 1Q FY2027 increased 23.7% year-on-year ("yoy") to US$19.7 million, supported by higher sales volume and stronger average realised selling price.
- Gross profit increased 56.5% yoy to US$12.7 million, with gross profit margin expanding 13.5 ppt to 64.3% due to higher average realised selling price and lower average unit cost of sales.
- EBITDA increased 43.1% yoy to US$5.8 million for 1Q FY2027.
- The Group continues to prioritise commercial visibility and disciplined execution, supported by existing and new offtake agreements with a domestic steel mill in Malaysia.

SINGAPORE, 1 July 2026 – Fortress Minerals Limited (the "**Company**" or "**Fortress Minerals**") and its subsidiaries (collectively the "**Group**"), a high-grade iron ore producer and exporter from Malaysia, today announced the financial results for the first quarter ended 31 May 2026 ("**1Q FY2027**").

Financial Highlights

	1Q FY2027	1Q FY2026	Change %	FY2026
Sales volume (DMT*)	211,617	194,946	*8.6*	724,439
Average realised selling price (US$/DMT)	93.18	82.30	*13.2*	88.66
Average unit cost of sales (US$/WMT#)	30.53	36.66	*(16.7)*	33.81
(US$'000)				
Revenue	19,695	15,924	*23.7*	64,261
Gross profit	12,658	8,089	*56.5*	37,316
Gross profit margin	*64.3%*	*50.8%*	*13.5ppt*	*58.1%*
Other income	86	756	*(88.6)*	1,528
Selling & distribution expenses	(2,971)	(2,260)	*31.4*	(7,876)
Other operating expenses	(3,612)	(2,903)	*24.4*	(14,715)
Administrative expenses	(1,052)	(319)	*230.0*	(1,583)
Impairment losses on financial assets, net	-	11	*(100.0)*	(36)
Fair value changes on derivative financial instrument	(278)	241	*nm*	520
Finance costs	(289)	(108)	*166.3*	(590)
Share of results of associates	(6)	-	*100.0*	(125)
Net profit after income tax (NPAT)	3,259	2,478	*31.5*	9,798
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,782	4,042	*43.1*	19,330

* DMT denotes Dry Metric Tonnes
# WMT denotes Wet Metric Tonnes
nm – not meaningful

Financial Developments

The Group reported a 23.7% increase yoy in revenue to US$19.7 million for 1Q FY2027, supported by higher sales volume and stronger average realised selling price. Sales volume increased by 8.6% yoy to 211,617 DMT, driven by higher local and export sales, reflecting resilient demand from domestic and regional markets.

Average realised selling price increased by 13.2% yoy to US$93.18/DMT for 1Q FY2027, compared to US$82.30/DMT in 1Q FY2026, due to the stronger average benchmark IODEX CFR North China of Platts Daily Iron Ore Assessments price indices for 1Q FY2027 as compared to 1Q FY2026.

The Group's cost of sales decreased by 10.2% yoy to US$7.0 million for 1Q FY2027. Average unit cost of sales decreased by 16.7% yoy to US$30.53/WMT, compared to US$36.66/WMT for 1Q FY2026, mainly due to higher production volumes which resulted in cost savings from economies of scale.

Consequently, gross profit increased by 56.5% yoy to US$12.7 million for 1Q FY2027, while gross profit margin expanded by 13.5 ppt to 64.3%.

The Group's profitability continued to improve for 1Q FY2027 as EBITDA increased by 43.1% yoy to US$5.8 million, while NPAT increased by 31.5% yoy to US$3.3 million. Earnings per share attributable to owners of the Company increased by 34.0% yoy to 0.63 US cents for 1Q FY2027.

The Group generated US$0.6 million of net cash flow from operating activities for 1Q FY2027. Cash and bank balances stood at US$10.9 million as at 31 May 2026, compared to US$14.6 million as at 28 February 2026, while net asset value per share increased to 18.82 US cents as at 31 May 2026, compared to 18.49 US cents as at 28 February 2026.

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,

"1Q FY2027 was a stronger start to the financial year, supported by higher sales volume, firmer realised selling prices and continued cost discipline. Our gross profit margin improved during the quarter, reflecting the benefits of higher production volumes and economies of scale.

Demand from domestic and regional markets remain resilient, while our existing and new offtake agreements with a domestic steel mill in Malaysia provide greater commercial visibility. We will continue to focus on reliable delivery to our customers, while enhancing our production capabilities at Bukit Besi and progressing our broader operational roadmap.

The operating environment remains fluid, with steel and iron ore pricing still influenced by China's supply-demand dynamics, global overcapacity and evolving trade and geopolitical conditions. Against this backdrop, we remain focused on disciplined execution, prudent capital management and sustainable long-term growth."

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.

*****End*****

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

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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, 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

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