fortress

77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tele: +60(3)-7800 0113
Registration No: 201732608K

PRESS RELEASE

Fortress Minerals reports steady growth in sales volume increasing 8.6% yoy to 190,066 DMT for 2Q FY2026

- Revenue for 2Q FY2026 increased 6.4% year-on-year ("**yoy**") to US$16.5 million, driven by higher sales volume from increased local sales, reflecting resilient regional demand.
- Gross profit decreased 11.8% yoy to US$9.1 million for 2Q FY2026, but gross profit margin remained robust at 54.9%.
- Secured two new 24-month offtake agreements with a domestic steel mill in Malaysia, strengthening the Group's earnings visibility.
- The Group continues to adopt a two-pronged growth strategy, focused on diversification and enhancing production capabilities to support resilient regional demand and drive long-term sustainable value.

SINGAPORE, 7 October 2025 – Fortress Minerals Limited (the "**Company**" or "**Fortress Minerals**") and its subsidiaries (collectively the "**Group**"), a high-grade iron ore concentrate producer and exporter from Malaysia, today announced the financial results for the second quarter and half-year ended 31 August 2025 ("**2Q FY2026**" and "**1H FY2026**" respectively).

Financial Highlights

	2Q FY2026	2Q FY2025	Change %	1H FY2026	1H FY2025	Change %	Full year FY2025
Sales volume (DMT*)	190,066	175,078	*8.6*	385,012	271,171	*42.0*	632,424
Average realised selling price (US$/DMT*)	86.32	88.46	*(2.4)*	84.29	92.90	*(9.3)*	88.88
Average unit cost of sales (US$/WMT#)	35.71	27.44	*30.1*	36.19	26.75	*35.3*	33.16
(US$'000)							
Revenue	16,505	15,517	*6.4*	32,429	25,293	*28.2*	56,254
Gross profit	9,059	10,265	*(11.8)*	17,148	17,392	*(1.4)*	33,209
Gross profit margin	*54.9%*	*66.2%*	*(11.3) ppt*	*52.9%*	*68.8%*	*(15.9) ppt*	*59.0%*
Other income	260	1,498	*(82.6)*	1,017	1,613	*(37.0)*	907
Selling & distribution expenses	(2,093)	(1,908)	*9.7*	(4,069)	(3,110)	*30.8*	(6,340)
Other operating expenses	(3,553)	(3,062)	*16.0*	(6,739)	(5,317)	*26.8*	(12,668)
Administrative expenses	(712)	(622)	*14.6*	(1,031)	(945)	*9.1*	(1,315)
Impairment losses on financial assets, net	(46)	-	-	(35)	-	-	-
Impairment losses on non-financial assets	-	-	-	-	-	-	(3,000)
Fair value changes on financial instruments	69	-	-	310	-	-	298
Finance costs	(127)	(154)	*(17.4)*	(235)	(333)	*(29.2)*	(598)
Net profit after income tax (NPAT)	1,964	4,536	*(56.7)*	4,442	6,848	*(35.1)*	5,775
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,220	7,369	*(42.7)*	8,262	11,256	*(26.6)*	16,065

* DMT denotes Dry Metric Tonnes
\# WMT denotes Wet Metric Tonnes
ppt denotes Percentage points

Financial Developments

The Group reported a 6.4% increase yoy to USS$16.5 million for 2Q FY2026, driven by higher sales volume. The sales volume increased by 8.6% yoy to 190,066 DMT due to an increase in local sales, reflecting resilient demand from regional markets.

The increase in sales volume was partially offset by the lower average realised selling price, which was 2.4% lower yoy at US$86.32/DMT for 2Q FY2026 compared to US$88.46/DMT for 2Q FY2025, due to the weaker average benchmark IODEX CFR North China of Platts Daily Iron Ore Assessments price indices in 2Q FY2026 as compared to 2Q FY2025.

Average unit cost of sales increased by 30.1% yoy to US$35.71/WMT for 2Q FY2026, compared to US$27.44/WMT for 2Q FY2025. The increase was mainly attributable to higher production costs such as direct materials, blasting and drilling expenses in line with the higher sales volume during the period.

Despite the lower selling price and higher unit costs, the Group's gross profit margin remained strong at 54.9% for 2Q FY2026. EBITDA was US$4.2 million and NPAT was US$2.0 million for 2Q FY2026.

As the Group continued its growth efforts, the Group's net asset value (NAV) per share increased to 16.30 US cents as at 31 August 2025, compared to 15.13 US cents as at 28 February 2025. Earnings per share was 0.38 US cents for 2Q 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 remain nimble as we navigate through elevated uncertainties in an ever-evolving geopolitical landscape. Despite the uncertainties, our sales volumes continued to grow, which reflects the continued resilience of demand from both domestic and regional markets.

We are pleased to have recently announced the extension of our relationship with a domestic steel mill partner through two new 24-month offtake agreements, which follows the initial 12-month contracts entered into in July 2024. These provide higher visibility into our earnings and strengthens our financial position as we accelerate and enhance our production capabilities at Bukit Besi with an integrated processing plant expected to be completed in FY2027. Additionally, driving higher cost savings remains a key priority for us as we expand our production capabilities to address the growing regional demand.

We are also exploring new opportunities and projects to diversify the Group's mineral portfolio through partnerships, investments, and joint ventures, in addition to our investments in bauxite and gold mining.

We remain focused on creating sustainable value for our shareholders and are actively working towards strategic initiatives that position the Group for long-term growth."

Market Outlook

Global crude steel production decreased 1.7% yoy for January to August 2025 to 1,230.6 million tonnes ("Mt"). China, the world's largest steel producer, posted a 2.8% decrease yoy to 671.8 Mt for January to August 2025. This contrasted with India which saw a 10.2% increase yoy to 108.9 Mt for January to August 2025[1].

Domestic steel demand in China remains under pressure amidst weak underlying demand and structural imbalances. China plans to curb output and overcapacity through 2025 – 2026 by phasing out inefficient capacity and tightening new investment[2]. Meanwhile, Chinese steel exports are forecast to hit record

[1] The World Steel Association August 2025: August 2025 crude steel production - worldsteel.org
[2] Reuters, 28 August 2025: China aims to cut steel output, prune overcapacity, document shows | Reuters

levels this year, ranging 115–120 Mt, as producers divert excess supply abroad amid weak domestic demand and competitive export pricing[3]. Despite softer steel output, China's iron ore imports remained robust, reaching 105.23 Mt in August and forecasted to reach 112.2 Mt in September, implying continued strong intake of raw materials[4].

Overcapacity challenges in China opens opportunities for India and Southeast Asia (SEA) to emerge as growth powerhouses. India alone is projected to triple its steel demand while steel demand momentum in SEA continues to remain strong with projected growth of about 4% in 2025 and maintaining a 3-4% compound annual growth rate through 2050, supported by rapid industrialisation[5]. As a result of rising steep consumption in India, iron-ore imports are expected to rise to 8 – 10 Mt in FY2025, up from about 6 Mt in 2024[6].

From an economic standpoint, SEA economies, while resilient, are projected to have slower growth at around 4.2% in 2025 and 4.3% in 2026, down from the prior estimate of 4.7% for both years[7]. Malaysia's economy is projected to expand by 4.0 – 4.8% in 2025, down from previous forecast of 4.5% - 5.5%. The updated projections factor in varying tariff scenarios, from prolonged elevated tariffs to more favourable trade negotiation outcomes[8].

Despite the broader tariff overhang, softer selling price, and higher unit costs, 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 28 August 2025, the Group's subsidiary Fortress Resources Pte. Ltd. ("FRPL") entered into two new 24-month offtake agreements with an independent third-party domestic steel mill in Malaysia. The agreements, which run concurrently from 1 September 2025 to 31 August 2027, cover the delivery of approximately 1.2 million wet metric tonnes of iron ore concentrate, subject to a variance of plus or minus 20% at FRPL's option.

The new agreements extend and expand upon the two 12-month offtake contracts announced in July 2024. They are expected to provide stable and recurring income and cash flow for the Group during the contract period, strengthen its financial position and contribute positively to earnings per share for the financial year ending 28 February 2026.

The Group remains committed to enhancing production capabilities at the Bukit Besi mine as it services new and ongoing offtake agreements. The construction of a new crushing plant was completed in 1Q FY2026. To optimise operational efficiency, commissioning has been strategically aligned with its integrated processing facility, which is targeted for completion in FY2027. This will further strengthen 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 from 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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[3] Reuters, 16 September 2025: China steel exports poised for record high, risking further tariff backlash | Reuters
[4] Reuters, 16 September 2025: Soft China steel output shrugged off by robust iron ore | Reuters
[5] Wood Mackenzie: Steel demand growth from China to decline annually by an average of 5-7 Mt over next decade | Wood Mackenzie
[6] Reuters, 17 July 2025: India's iron ore imports to rise on JSW steel demand, falling prices | Reuters
[7] Reuters, 23 July 2025: U.S. tariffs, trade tensions to slow growth in developing Asia and Pacific, ADB says | Reuters
[8] Reuters, 28 July 2025: Malaysia's economy projected to grow 4% to 4.8% this year, central bank says | Reuters

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 twenty-one years, with the option for further extension. Under this arrangement, the Group retains full and uninterrupted access and control over the CASB mining area. Operations at the site continue without disruption under the new 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, 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

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

Media & Investor contact:

Dato' Sri Ivan Chee
Email: corporate@fortress.sg

Teneo
Email: fortressminerals@teneo.com

Tel: +603 7800 0113