FORTRESS MINERALS LIMITED

(Company Registration No.: 201732608K)

Unaudited Condensed Interim Financial Statements for the Second Quarter and Six Months Ended 31 August 2025 ("2Q FY2026")

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 Second Quarter and Six Months ended 31 August 2025 ("2Q FY2026")

Condensed interim consolidated statement of profit or loss

		Group			Group		
		Three months ended			Six months ended		
	Note	31 August 2025 US$	31 August 2024 US$	Change %	31 August 2025 US$	31 August 2024 US$	Change %
Revenue	3	16,505,022	15,516,913	6.4	32,428,640	25,293,266	28.2
Cost of sales		(7,445,940)	(5,251,523)	41.8	(15,280,389)	(7,901,162)	93.4
Gross profit		9,059,082	10,265,390	(11.8)	17,148,251	17,392,104	(1.4)
Other income		260,181	1,497,783	(82.6)	1,016,670	1,612,931	(37.0)
Selling and distribution expenses		(2,092,561)	(1,907,989)	9.7	(4,069,466)	(3,110,151)	30.8
Other operating expenses		(3,553,170)	(3,061,873)	16.0	(6,739,379)	(5,316,925)	26.8
Administrative expenses		(712,347)	(621,809)	14.6	(1,031,173)	(944,789)	9.1
Impairment losses on financial assets, net		(46,473)	-	100.0	(35,094)	-	100.0
Fair value changes on derivative financial instrument		68,909	-	100.0	309,882	-	100.0
Finance costs		(126,967)	(153,674)	(17.4)	(235,428)	(332,703)	(29.2)
Profit before income tax	4	2,856,654	6,017,828	(52.5)	6,364,263	9,300,467	(31.6)
Income tax expense	5	(892,636)	(1,481,485)	(39.7)	(1,922,461)	(2,452,095)	(21.6)
Profit for the financial period		1,964,018	4,536,343	(56.7)	4,441,802	6,848,372	(35.1)
Profit/(Loss) attributable to:							
Owners of the Company		1,986,762	4,458,851	(55.4)	4,445,725	6,776,308	(34.4)
Non-controlling interests		(22,744)	77,492	nm	(3,923)	72,064	nm
		1,964,018	4,536,343	(56.7)	4,441,802	6,848,372	(35.1)
Earnings per share attributable to owners of the Company (cents)							
- Basic and diluted	6	0.38	0.85	(55.3)	0.85	1.29	(34.1)

nm – not meaningful

Condensed interim consolidated statement of other comprehensive income

	Note	Group Three months ended 31 August 2025 US$	Group Three months ended 31 August 2024 US$	Change %	Group Six months ended 31 August 2025 US$	Group Six months ended 31 August 2024 US$	Change %
Profit for the financial period		1,964,018	4,536,343	(56.7)	4,441,802	6,848,372	(35.1)
Other comprehensive income							
Item that will not be reclassified subsequently to profit or loss:							
Fair value changes on equity instrument designated at fair value through other comprehensive income		125,350	-	100.0	163,166	-	100.0
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		307,807	5,012,505	(93.9)	3,259,336	5,707,638	(42.9)
Total other comprehensive income for the financial period, net of tax		433,157	5,012,505	(91.4)	3,422,502	5,707,638	(40.0)
Total comprehensive income for the financial period		2,397,175	9,548,848	(74.9)	7,864,304	12,556,010	(37.4)
Total comprehensive income/ (loss) for the financial period attributable to:							
Owners of the Company		2,421,841	9,451,122	(74.4)	7,975,398	12,462,688	(36.0)
Non-controlling interests		(24,666)	97,726	nm	(111,094)	93,322	nm
		2,397,175	9,548,848	(74.9)	7,864,304	12,556,010	(37.4)

nm – not meaningful

(the remainder of this page is intentionally left blank)

Condensed interim statements of financial position

	Note	Group 31 August 2025 US$	Group 28 February 2025 US$	Company 31 August 2025 US$	Company 28 February 2025 US$
ASSETS					
Non-current assets					
Investments in subsidiaries		-	-	43,014,878	43,014,878
Investment in an associate		308,210	-	-	-
Equity instrument at fair value through other comprehensive income ("FVTOCI")	7	551,265	-	551,265	-
Derivative financial instrument	7	309,882	-	309,882	-
Exploration and evaluation assets		6,954,180	3,342,203	-	-
Mining properties	8	45,194,833	42,800,000	-	-
Plant and equipment	9	24,818,783	23,883,089	-	-
Right-of-use assets	10	96,211	132,712	-	-
Intangible asset		3,200,672	3,023,271	-	-
		81,434,036	73,181,275	43,876,025	43,014,878
Current assets					
Inventories		7,365,782	6,176,861	-	-
Trade receivables		5,765,229	6,242,535	-	-
Other receivables, deposits and prepayments		9,688,845	7,987,530	1,500,059	59
Amounts due from subsidiaries		-	-	14,253,901	13,328,803
Current income tax receivables		942,622	745,588	-	-
Financial assets at fair value through profit or loss ("FVTPL")	7	428,236	1,040,510	-	799,451
Cash and bank balances	11	6,943,510	7,850,163	353,783	308,998
		31,134,224	30,043,187	16,107,743	14,437,311
Total assets		112,568,260	103,224,462	59,983,768	57,452,189
EQUITY AND LIABILITIES					
Equity					
Share capital	12	28,995,034	28,995,034	28,995,034	28,995,034
Other reserves		(4,188,181)	(7,717,854)	163,166	-
Retained earnings		60,496,154	57,921,200	28,699,432	26,331,932
		85,303,007	79,198,380	57,857,632	55,326,966
Non-controlling interests		(430,121)	(326,199)	-	-
Total equity		84,872,886	78,872,181	57,857,632	55,326,966
Non-current liabilities					
Bank borrowings	15	2,054,710	2,610,666	-	-
Lease liabilities	15	3,556	40,989	-	-
Deferred tax liabilities		4,102,170	3,830,229	-	-
Other payables		2,048,543	2,050,071	2,048,543	2,050,071
		8,208,979	8,531,955	2,048,543	2,050,071
Current liabilities					
Banks borrowings	15	6,005,624	3,462,281	-	-
Lease liabilities	15	95,464	94,049	-	-
Trade payables		1,183,525	1,864,835	-	-
Other payables and accruals		12,164,007	10,297,930	69,730	67,892
Amounts due to directors		-	-	-	-
Amounts due to subsidiaries		-	-	-	817
Current income tax payables		37,775	101,231	7,863	6,443
		19,486,395	15,820,326	77,593	75,152
Total liabilities		27,695,374	24,352,281	2,126,136	2,125,223
Total equity and liabilities		112,568,260	103,224,462	59,983,768	57,452,189

Condensed interim statements of changes in equity

Group	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 2025		**28,995,034**	**383,615**	**(4,535,493)**	**(3,565,976)**	**-**	**57,921,200**	**79,198,380**	**(326,199)**	**78,872,181**
Profit/(Loss) for the financial period		-	-	-	-	-	4,445,725	4,445,725	(3,923)	4,441,802
Other comprehensive income										
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")		-	-	-	-	163,166	-	163,166	-	163,166
Exchange differences on translating foreign operations		-	-	3,366,507	-	-	-	3,366,507	(107,171)	3,259,336
Other comprehensive income for the financial period, net of tax		-	-	3,366,507	-	163,166	-	3,529,673	(107,171)	3,422,502
Total comprehensive income for the financial period		-	-	3,366,507	-	163,166	4,445,725	7,975,398	(111,094)	7,864,304
Transactions with owners										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	6,580	6,580
Acquisition of additional interests in a subsidiary with no change in control		-	-	-	-	-	(662)	(662)	592	(70)
FY2025 Final dividend paid	13	-	-	-	-	-	(1,870,109)	(1,870,109)	-	(1,870,109)
Total transactions with owners		-	-	-	-	-	(1,870,771)	(1,870,771)	7,172	(1,863,599)
Balance at 31 August 2025		**28,995,034**	**383,615**	**(1,168,986)**	**(3,565,976)**	**163,166**	**60,496,154**	**85,303,007**	**(430,121)**	**84,872,886**

Condensed interim statements of changes in equity (continued)

Group	Note	Share capital US$	Capital reserve US$	Foreign currency translation reserve US$	Merger reserve US$	Retained earnings US$	Equity attributable to owners of the Company US$	Non-controlling interests US$	Total equity US$
Balance at 1 March 2024		**28,995,034**	**383,615**	**(8,207,540)**	**(3,565,976)**	**54,639,963**	**72,245,096**	**1,496**	**72,246,592**
Profit for the financial period		-	-	-	-	6,776,308	6,776,308	72,064	6,848,372
Other comprehensive income									
Exchange differences on translating foreign operations		-	-	5,686,380	-	-	5,686,380	21,258	5,707,638
Other comprehensive income for the financial period, net of tax		-	-	5,686,380	-	-	5,686,380	21,258	5,707,638
Total comprehensive income for the financial period		-	-	5,686,380	-	6,776,308	12,462,688	93,322	12,556,010
Transactions with owners									
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	84,520	84,520
Acquisition of additional interests in a subsidiary with no change in control		-	-	-	-	(640,242)	(640,242)	(258)	(640,500)
Issuance of new ordinary shares of a subsidiary to non-controlling interest		-	-	-	-	-	-	71,824	71,824
FY2024 Final dividend paid	13	-	-	-	-	(2,402,686)	(2,402,686)	-	(2,402,686)
Total transactions with owners		-	-	-	-	(3,042,928)	(3,042,928)	156,086	(2,886,842)
Balance at 31 August 2024		**28,995,034**	**383,615**	**(2,521,160)**	**(3,565,976)**	**58,373,343**	**81,664,856**	**250,904**	**81,915,760**

Condensed interim statements of changes in equity (continued)

Company	Note	Share capital US$	Fair value reserve US$	Retained earnings US$	Total equity US$
Balance at 1 March 2025		**28,995,034**	**-**	**26,331,932**	**55,326,966**
Profit for the financial period		-	-	4,237,609	4,237,609
Other comprehensive income					
Fair value changes on equity instrument designated at fair value through other comprehensive income ("FVTOCI")		-	163,166	-	163,166
Other comprehensive (loss)/income for the financial period, net of tax		-	163,166	-	163,166
Total comprehensive income for the financial period		-	163,166	4,237,609	4,400,775
Transaction with owners					
Dividend paid	13	-	-	(1,870,109)	(1,870,109)
Balance at 31 August 2025		**28,995,034**	**163,166**	**28,699,432**	**57,857,632**

Company	Note	Share capital US$	Retained earnings US$	Total equity US$
Balance at 1 March 2024		**28,995,034**	**23,130,320**	**52,125,354**
Profit for the financial period representing total comprehensive income for the financial period		-	6,511,124	6,511,124
Transaction with owners				
Dividend paid	13	-	(2,402,686)	(2,402,686)
Balance at 31 August 2024		**28,995,034**	**27,238,758**	**56,233,792**

Condensed interim consolidated statements of cash flows

	Note	Group Six months ended 31 August 2025 US$	31 August 2024 US$
Operating activities			
Profit before income tax		6,364,263	9,300,467
Adjustments for:			
Amortisation of mining properties		180,407	302,861
Depreciation of plant and equipment		1,582,436	1,026,399
Depreciation of right-of-use assets		48,955	457,212
Interest expenses		235,428	332,703
Interest income		(120,808)	(82,987)
Distribution from financial assets at FVTPL		(28,186)	(74,734)
Fair value gain on financial assets at FVTPL		(569)	(6,172)
Fair value changes on derivative financial instrument		(309,882)	-
Impairment losses on financial assets		46,654	-
Reversal of impairment loss on a financial asset		(11,560)	-
Deposits written off		-	4,713
Plant and equipment written off		1,828	-
Loss on disposal of plant and equipment		1,520	109,791
Modification of lease contracts		(17)	(31,688)
Unrealised foreign exchange (gain)/loss		(775,243)	(1,010,991)
Operating cash flow before working capital changes		7,215,226	10,327,574
Working capital changes:			
Inventories		223,594	(1,694,756)
Trade and other receivables		711,899	5,482,740
Trade and other payables		(1,806,721)	(1,511,018)
Cash generated from operations		6,343,998	12,604,540
Income tax paid		(2,032,945)	(2,162,399)
Income tax refunded		61,105	-
Net cash flow generated from operating activities		4,372,158	10,442,141
Investing activities			
Additions of exploration and evaluation assets		(263,682)	(690,683)
Additions of mining properties		(918,777)	(263,748)
Additions of plant and equipment		(2,221,338)	(1,790,415)
Acquisition of subsidiaries, net of cash acquired		(1,269,418)	84,520
Acquisition of additional interests in a subsidiary with no change in control		(70)	(640,500)
Proceeds from disposal of plant and equipment		173,117	421,312
Purchase of equity instrument at FVTOCI		(388,099)	-
Purchase of financial asset at fair value through profit or loss, net		617,382	230,586
Investment in an associate		(302,058)	-
Interest received		120,808	82,987
Distribution income received		28,186	74,734
Net cash flow used in investing activities		(4,423,949)	(2,491,207)
Financing activities			
Interest paid		(232,530)	(311,642)
Increase in short-term deposit pledged		-	(11,647)
Proceeds from bank borrowings		3,734,503	-
Repayments of bank borrowings		(2,728,986)	(4,113,953)
Repayment of lease liabilities		(54,650)	(907,178)
Proceed from issuance of new ordinary shares of a subsidiary to non-controlling interest		-	71,824
Dividends paid	13	(1,870,109)	(2,402,686)
Net cash flow used in financing activities		(1,151,772)	(7,675,282)
Net change in cash and cash equivalents		(1,203,563)	275,652
Effects of exchange rate changes on cash and cash equivalents		296,910	319,030
Cash and cash equivalents at beginning of financial period		7,850,163	5,678,660
Cash and cash equivalents at end of financial period	11	6,943,510	6,273,342

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 and six months ended 31 August 2025 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; and
(d) 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 and six months period ended 31 August 2025 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 2025.

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 2025. 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 2025.

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.

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.

2. Basis of preparation (continued)

2.2 Use of judgements and estimates (continued)

- *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.

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. Segment and revenue information (continued)

3.1 Reportable segments

1 June 2025 to 31 August 2025	Iron Ore US$	Others US$	Group US$
Revenue			
External customers, representing total revenue	16,505,022	-	16,505,022
Results:			
Interest income from financial institutions	74,362	-	74,362
Distribution from financial assets at FVTPL	15,085	-	15,085
Fair value gain on financial assets at FVTPL	64	-	64
Loss on disposal of plant and equipment	(25,481)	-	(25,481)
Amortisation of mining properties	(169,823)	-	(169,823)
Depreciation of right-of-use assets	(24,883)	-	(24,883)
Depreciation of plant and equipment	(1,131,493)	-	(1,131,493)
Interest expense	(126,967)	-	(126,967)
Segment profit/(loss)	3,057,909	(201,255)	2,856,654
Assets:			
Additions to non-current assets	5,754,270	-	5,754,270
Segment assets	109,298,772	3,269,488	112,568,260
Segment liabilities	(27,614,555)	(80,819)	(27,695,374)

1 June 2024 to 31 August 2024	Iron Ore US$	Others US$	Group US$
Revenue			
External customers, representing total revenue	15,516,913	-	15,516,913
Results:			
Interest income from financial institutions	61,569	-	61,569
Distribution from financial assets at FVTPL	38,274	-	38,274
Fair value gain on financial assets at FVTPL	2,760	-	2,760
Loss on disposal of plant and equipment	(36,081)	-	(36,081)
Amortisation of mining properties	(270,898)	-	(270,898)
Depreciation of right-of-use assets	(256,906)	-	(256,906)
Depreciation of plant and equipment	(772,089)	-	(772,089)
Interest expense	(153,674)	-	(153,674)
Segment profit/(loss)	6,221,939	(204,111)	6,017,828
Assets:			
Additions to non-current assets	3,548,082	-	3,548,082
Segment assets	106,874,801	148,629	107,023,430
Segment liabilities	(25,009,812)	(97,858)	(25,107,670)

3. Segment and revenue information (continued)

3.1 Reportable segments (continued)

1 March 2025 to 31 August 2025	Iron Ore US$	Others US$	Group US$
Revenue			
External customers, representing total revenue	32,428,640	-	32,428,640
Results:			
Interest income from financial institutions	120,808	-	120,808
Distribution from financial assets at FVTPL	28,186	-	28,186
Fair value gain on financial assets at FVTPL	569	-	569
Loss on disposal of plant and equipment	(1,520)	-	(1,520)
Amortisation of mining properties	(180,407)	-	(180,407)
Depreciation of right-of-use assets	(48,955)	-	(48,955)
Depreciation of plant and equipment	(1,582,436)	-	(1,582,436)
Interest expense	(235,428)	-	(235,428)
Segment profit/(loss)	6,443,155	(78,892)	6,364,263
Assets:			
Additions to non-current assets	7,138,229	-	7,138,229
Segment assets	109,298,772	3,269,488	112,568,260
Segment liabilities	(27,614,555)	(80,819)	(27,695,374)

1 March 2024 to 31 August 2024	Iron Ore US$	Others US$	Group US$
Revenue			
External customers, representing total revenue	25,293,266	-	25,293,266
Results:			
Interest income from financial institutions	82,987	-	82,987
Distribution from financial assets at FVTPL	74,734	-	74,734
Fair value gain on financial assets at FVTPL	6,172	-	6,172
Loss on disposal of plant and equipment	(109,791)	-	(109,791)
Amortisation of mining properties	(302,861)	-	(302,861)
Depreciation of right-of-use assets	(457,212)	-	(457,212)
Depreciation of plant and equipment	(1,026,399)	-	(1,026,399)
Interest expense	(332,703)	-	(332,703)
Segment profit/(loss)	9,683,096	(382,629)	9,300,467
Assets:			
Additions to non-current assets	5,951,934	-	5,951,934
Segment assets	106,874,801	148,629	107,023,430
Segment liabilities	(25,009,812)	(97,858)	(25,107,670)

3. Segment and revenue information (continued)

3.2 Disaggregation of revenue

Group	Three months ended		Six months ended	
	31 August 2025 US$	31 August 2024 US$	31 August 2025 US$	31 August 2024 US$
Geographical information:				
Malaysia	15,057,737	13,445,217	29,670,472	23,221,570
People's Republic of China	1,447,285	2,071,696	2,758,168	2,071,696
	16,505,022	15,516,913	32,428,640	25,293,266
Timing of revenue recognition:				
At a point in time	16,505,022	15,516,913	32,428,640	25,293,266

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		Six months ended	
	31 August 2025 US$	31 August 2024 US$	31 August 2025 US$	31 August 2024 US$
Income				
Foreign exchange (loss)/gain, net	(50,238)	675,212	515,754	681,573
Expenses				
Loss on disposal of plant and equipment, net	25,481	36,081	1,520	109,791
Amortisation of mining properties	169,823	270,898	180,407	302,861
Depreciation charge of:				
- plant and equipment	1,131,493	772,089	1,582,436	1,026,399
- right-of-use assets	24,883	256,906	48,955	457,212
Interest expenses on:				
- borrowings	125,584	147,150	232,425	310,832
- lease liabilities	1,383	6,524	3,003	21,871
Commission expense	113,246	106,773	238,228	201,263
Handling and transportation	746,465	695,842	1,463,215	1,216,433
Royalty expense	1,161,497	1,051,231	2,235,411	1,635,687
Upkeep of machinery	812,012	583,131	1,441,821	1,007,469
Upkeep of motor vehicles	429,859	180,760	668,119	412,371

4. **Profit before income tax** (continued)

4.2 Related party transactions

Material transactions with related parties are as follows:

Group	Three months ended		Six months ended	
	31 August 2025 US$	**31 August 2024 US$**	**31 August 2025 US$**	**31 August 2024 US$**
Transactions with entities of common major shareholder of the Company				
Lease payments to:				
-Webcon Venture Sdn Bhd	14,159	13,033	27,882	25,709

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		Six months ended	
	31 August 2025 US$	**31 August 2024 US$**	**31 August 2025 US$**	**31 August 2024 US$**
Directors' fees	142,677	173,723	285,989	361,332
Salaries and other emoluments	816,742	1,032,029	1,650,731	1,860,314
Contributions to defined contribution plans	98,117	72,939	197,624	143,962
Social security contributions	315	251	620	496
	1,057,851	1,278,942	2,134,964	2,366,104

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		Six months ended	
	31 August 2025 US$	**31 August 2024 US$**	**31 August 2025 US$**	**31 August 2024 US$**
Current income tax expense	938,045	981,788	1,752,763	1,901,435
Deferred tax relating to (reversal)/ origination of temporary differences	(45,409)	499,697	169,698	550,660
Income tax expense recognised in profit or loss	892,636	1,481,485	1,922,461	2,452,095

6. Earnings per ordinary share ("EPS")

Group	Three months ended 31 August 2025 US$	Three months ended 31 August 2024 US$	Six months ended 31 August 2025 US$	Six months ended 31 August 2024 US$
Net profit attributable to owners of the Company (US$)	1,986,762	4,458,851	4,445,725	6,776,308
Weighted average number of ordinary shares	523,316,100	523,316,100	523,316,100	523,316,100
Basic and diluted EPS (US cents)	0.38	0.85	0.85	1.29

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 August 2025 and 28 February 2025:

	Group		Company	
	31 August 2025 US$	28 February 2025 US$	31 August 2025 US$	28 February 2025 US$
Financial assets carried at amortised cost				
Trade receivables	5,765,229	6,242,535	-	-
Other receivables and deposits (excluding prepayments)	6,185,872	3,246,263	1,500,059	59
Amounts due from subsidiaries	-	-	14,253,901	13,328,803
Cash and bank balances	6,943,510	7,850,163	353,783	308,998
	18,894,611	17,338,961	16,107,743	13,637,860
Financial assets carried at fair value				
Equity instrument at FVTOCI [(1)]	551,265	-	551,265	-
Derivative financial instrument at FVTPL [(2)]	309,882	-	309,882	-
Financial assets at FVTPL	428,236	1,040,510	-	799,451
	1,289,383	1,040,510	861,147	799,451
Total financial assets	20,183,994	18,379,471	16,968,890	14,437,311
Presented as				
Current assets	19,322,847	18,379,471	16,107,743	14,437,311
Non-current assets	861,147	-	861,147	-

7. Financial assets and financial liabilities (continued)

	Group		Company	
	31 August 2025	**28 February 2025**	**31 August 2025**	**28 February 2025**
	US$	**US$**	**US$**	**US$**
Financial liabilities carried at amortised cost				
Banks borrowings	8,060,334	6,072,947	-	-
Lease liabilities	99,020	135,038	-	-
Trade payables	1,183,525	1,864,835	-	-
Other payables and accruals	12,164,007	10,297,930	69,730	67,892
Amounts due to subsidiaries	-	-	-	817
	21,506,886	18,370,750	69,730	68,709
Financial liability carried at fair value				
Contingent consideration (3)	2,048,543	2,050,071	2,048,543	2,050,071
Total financial liabilities	23,555,429	20,420,821	2,118,273	2,118,780
Presented as				
Current liabilities	19,448,620	15,719,095	69,730	68,709
Non-current liabilities	4,106,809	4,701,726	2,048,543	2,050,071

(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 August 2025, the condition of Fortress Mengapur Group showed that it is highly probable that the performance indicator would be achieved due to continuous development of mining activities. Hence, the fair value of the contingent consideration determined at 31 August 2025 reflected this development.

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			
	Level 1	**Level 2**	**Level 3**	**Total**
	US$	**US$**	**US$**	**US$**
Group				
31 August 2025				
Financial assets				
Equity instrument at FVTOCI	551,265	-	-	551,265
Derivative financial instrument at FVTPL	-	309,882	-	309,882
Financial asset at FVTPL	-	428,236	-	428,236
Financial liability				
Contingent consideration	-	-	2,048,543	2,048,543
28 February 2025				
Financial asset				
Financial asset at FVTPL	-	1,040,510	-	1,040,510
Financial liability				
Contingent consideration	-	-	2,050,071	2,050,071
Company				
31 August 2025				
Financial asset				
Equity instrument at FVTOCI	551,265	-	-	551,265
Derivative financial instrument at FVTPL	-	309,882	-	309,882
Financial liability				
Contingent consideration	-	-	2,048,543	2,048,543
28 February 2025				
Financial asset				
Financial asset at FVTPL	-	799,451	-	799,451
Financial liability				
Contingent consideration	-	-	2,050,071	2,050,071

8. Mining properties

During the six months ended 31 August 2025, the Group incurred addition of mining properties expenditures amounting to US$0.9 million (31 August 2024: US$0.3 million) reflecting the Group's ongoing commitment to improve existing mines and sustain mining operations.

9. Plant and equipment

Acquisitions and disposals

During the six months ended 31 August 2025, the Group acquired plant and equipment with cost of US$2.8 million (31 August 2024: US$4.5 million), of which US$0.6 million (31 August 2024: US$2.8 million) was financed by asset financing.

Plant and equipment with net book value of US$1.0 million (31 August 2024: US$0.3 million) were disposed of by the Group during the financial period ended 31 August 2025, resulting in a net loss on disposal of US$1,520 (31 August 2024: US$0.1 million).

10. Right-of-use assets

The Group leases office space, hostels and storage space in Malaysia. During the six months ended 31 August 2025, the Group recognised addition of right-of-use assets for premises amounting to US$11,465 (31 August 2024: US$0.4 million).

The Group renegotiated and modified existing lease contracts for certain premises during the six months ended 31 August 2025 which were accounted for as a lease modification with decrease to the right-of-use assets and lease liabilities of US$2,866 and US$2,883 (31 August 2024: US$590,994 and US$622,682) respectively, resulting in gain on modification of lease contracts of US$17 (31 August 2024: US$31,688).

11. Cash and bank balances

	Group		Company	
	31 August 2025 US$	28 February 2025 US$	31 August 2025 US$	28 February 2025 US$
Cash at banks	6,914,121	7,824,067	353,783	308,998
Cash on hand	29,389	26,096	-	-
Cash and cash equivalents as per consolidated statement of cash flows	6,943,510	7,850,163	353,783	308,998

12. Share capital

	Group and Company			
	31 August 2025		28 February 2025	
	Number of shares	Amount US$	Number of shares	Amount US$
Total number of issued shares excluding treasury shares	523,316,100	28,995,034	523,316,100	28,995,034

The Company did not have any treasury shares as at 31 August 2025. There were no subsidiary holdings during and as at the end of the current financial period reported on.

13. Dividends

	Group	
	31 August 2025 US$	**28 February 2025 US$**
Ordinary dividends paid:		
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	-
In respect of financial year ended 29 February 2024:		
- Final one-tier tax exempt dividend of 0.60 Singapore cents (equivalent to 0.46 US cents) per ordinary share	-	2,402,686
	1,870,109	2,402,686

14. Net Asset Value

	Group		Company	
	31 August 2025 US$	**28 February 2025 US$**	**31 August 2025 US$**	**28 February 2025 US$**
Net asset value ("NAV") (US$)	85,303,007	79,198,380	57,857,632	55,326,966
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)	16.30	15.13	11.06	10.57

15. Borrowings and lease liabilities

	Group	
	31 August 2025 US$	**28 February 2025 US$**
Repayable within one year or on demand		
Secured		
- Bank borrowings	6,005,624	3,462,281
Unsecured		
- Leases liabilities	95,464	94,049
	6,101,088	3,556,330
Repayable after one year		
Secured		
- Bank borrowings	2,054,710	2,610,666
Unsecured		
- Leases liabilities	3,556	40,989
	2,058,266	2,651,655

15. Borrowings and lease liabilities (continued)

The Group's secured borrowings as at 31 August 2025 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$5.0 million (28 February 2025: US$5.7 million).

16. Capital commitments

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

	Group	
	31 August 2025	28 February 2025
	US$	US$
Capital expenditures contracted but not provided for		
- Plant and equipment	13,159,316	161,400

17. Subsequent events

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

(the remainder of this page is intentionally left blank)

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

1. Review

The condensed interim statements of financial position of Fortress Minerals Limited and its subsidiaries as at 31 August 2025 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 second quarter and six months then ended and the selected explanatory notes (the "Condensed Interim financial Statements") 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 2025 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 August 2025 ("**2Q FY2026**") and the comparative financial period ended 31 August 2024 ("**2Q FY2025**").

	2Q FY2026	2Q FY2025	Increase/ (Decrease) (%)
Sold (**DMT***)	190,066	175,078	8.6
Revenue realised [(1)] **(US$)**	16,406,976	15,486,582	5.9
Average realised selling price **(US$/DMT)**	86.32	88.46	(2.4)

* DMT denotes Dry Metric Tonnes
(1) Excluding effect of foreign exchange.

As shown in the table above, the Group recorded revenue of US$16.4 million in 2Q FY2026, being 5.9% or US$0.9 million higher than 2Q FY2025 due to higher volume sold in the current financial period. This increase was mainly derived from an increase in local sales, reflecting resilient demand from regional markets.

The increase was partially offset by the lower average realised selling price of US$86.32/DMT recorded in 2Q FY2026, a decrease of 2.4% or US$2.14/DMT due to the average benchmark IODEX CFR North China of Platts Daily Iron Ore Assessments price indices weakening in 2Q FY2026 as compared to 2Q FY2025.

Cost of sales

	2Q FY2026	2Q FY2025	Increase/ (Decrease) (%)
Sold **(WMT*)**	208,490	191,372	8.9
Cost of sales **(US$)**	7,445,940	5,251,523	41.8
Average unit cost of sales **(US$/WMT)**	35.71	27.44	30.1

* WMT denotes Wet Metric Tonnes

The Group's cost of sales increased by 41.8% to US$7.4 million in 2Q FY2026. The Group's average unit cost of sales increased by 30.1% or US$8.27/WMT to US$35.71/WMT in 2Q FY2026, mainly attributable to higher production costs such as direct materials, blasting and drilling expenses in line with the higher sales volume during the period. However, when compared to the average unit cost of sales for the full financial year ended 28 February 2025 of US$33.16/WMT, the increase was lower at 7.7%.

Gross profit and gross profit margin

As a result of the abovementioned reasons, gross profit for 2Q FY2026 of US$9.1 million was US$1.2 million lower than 2Q FY2025 and gross profit margin decreased 11.3% to 54.9% in 2Q FY2026.

Other income

The Group's other income decreased by US$1.2 million to US$0.3 million in 2Q FY2026. The decrease was mainly due to a decrease in unrealised gain on foreign exchange differences by US$0.8 million, as the RM/USD exchange rate was more stable compared to 2Q FY2025. In addition, sundry income decreased by US$0.3 million due to the absence of compensation received from a contract termination which occurred in 2Q FY2025.

Selling and distribution expenses

Selling and distribution expenses increased by US$0.2 million to US$2.1 million in 2Q FY2026, which comprise mainly royalty expenses and transportation charges. This is consistent with the increase in volume sold in 2Q FY2026.

Other operating expenses

The Group's other operating expenses comprise mainly employee benefits expenses and plant maintenance expenses. Other operating expenses increased by US$0.5 million to US$3.6 million in 2Q FY2026 which was primarily due to the increase of US$0.4 million in depreciation expenses for non-production plant and equipment, which were reclassified from cost of sales to other operating expenses in 2Q FY2026.

Administrative expenses

Administrative expenses comprise mainly miscellaneous expenses incurred to provide support for general business activities. Administrative expenses increased by US$0.1 million to US$0.7 million in 2Q FY2026 mainly due to increase in certain miscellaneous expenses.

Impairment losses on financial assets, net

The impairment losses on financial assets in 2Q FY2026 amounting to US$46,473 comprising expected credit losses provided on other receivables, net of cash recoveries from amounts previously impaired in prior reporting periods.

Fair value changes on derivative financial instrument

A fair value gain of US$0.1 million was recognised in 2Q FY2026. This movement relates to the adjustment for fair value changes in the free options received as part of the equity investment in NML (Refer to Part I Note 7).

Finance costs

Finance costs comprised interest expenses on bank borrowings and lease liabilities had remained relatively stable at US$0.1 million in 2Q FY2026.

Income tax expense

Income tax expense decreased by US$0.6 million to US$0.9 million in 2Q FY2026.

The Group's effective tax rate in 2Q FY2026 was 30.2%, 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 2Q FY2026 decreased by US$2.5 million or 56.7%, to US$2.0 million from US$4.5 million in 2Q FY2025 as a result of the aforementioned reasons.

(the remainder of this page is intentionally left blank)

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 August 2025 and 28 February 2025.

<u>Condensed interim statements of financial position</u>

<u>Non-current assets</u>

Non-current assets comprise investment in an associate, equity instrument at FVTOCI, derivative financial instrument, exploration and evaluation assets, mining properties, plant and equipment, right-of-use assets and goodwill. The Group's non-current assets increased by US$8.3 million from US$73.2 million as at 28 February 2025 to US$81.4 million as at 31 August 2025.

Investment in an associate comprises the Group's 49% equity interest in Sebanjar Bina Sdn. Bhd. ("SBSB"), which was acquired on 1 August 2025 for a cash consideration of US$0.3 million. The investment is accounted for using the equity method in accordance with SFRS(I) 1-28.

Equity instrument at FVTOCI comprised the equity interest in NML, a company listed on the Australian Securities Exchange ("ASX"). As at 31 August 2025, the fair value of the equity instrument increased to US$0.6 million, reflecting its initial recognition 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 August 2025, the fair value of the derivative financial instrument increased to US$0.3 million, reflecting its initial recognition based on a valuation using the Black-Scholes option pricing model, incorporating observable market inputs.

Exploration and evaluation assets increased by US$3.6 million to US$7.0 million as at 31 August 2025, primarily due to the acquisition of a subsidiary holding mining rights and exploration assets. The acquisition was accounted for as an asset acquisition, as the acquired entity did not meet the definition of a business under SFRS(I) 3. Accordingly, the consideration of US$2.4 million was allocated to exploration and evaluation assets. The increase also reflects on-going exploration activities undertaken by the Group at the Bukit Besi and CASB mines, amounting to US$0.6 million, as well as foreign exchange translation differences of US$0.3 million, arising from the strengthening of exchange rate movement of RM against USD.

Mining properties increased by US$2.4 million to US$45.2 million as at 31 August 2025. The increase is primarily attributable to:

- the payment of relevant fees amounting to US$0.9 million in relation to the exclusive concessionaire rights granted for the CASB mine, with a tenure of 21 years; and

- the effects of exchange translation differences of US$1.9 million due to the strengthening of exchange rate movement of RM against USD.

However, the increase was partially offset by the amortisation charges of US$0.4 million.

Plant and equipment increased by US$0.9 million to US$24.8 million as at 31 August 2025 from US$23.9 million as at 28 February 2025. 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$1.5 million and US$0.6 million, respectively;

- additions of motor vehicles amounting to US$0.7 million; and

- effects of exchange translation differences of US$1.5 million.

The increase was partially offset by the depreciation charges of US$2.5 million and disposals of plant and equipment with net book value of US$1.0 million.

Right-of-use assets at the Group level refers to the leases office space, hostels and storage space for use at both the Bukit Besi and CASB mine. Right-of-use assets decreased by US$36,501 to US$0.1 million as at 31 August 2025, which was mainly attributable to the depreciation charges.

The intangible asset comprised the goodwill arising from the acquisition of Fortress Mengapur Group. The intangible asset increased by US$0.2 million to US$3.2 million as at 31 August 2025 due to the effects of exchange translation differences from the strengthening of exchange rate movement of RM against USD.

Current assets

As at 31 August 2025, the Group's current assets remained strong and stood at US$31.1 million compared to US$30.0 million as at 28 February 2025. The increase was mainly attributable to the following:

- increase in inventories by US$1.2 million attributable to an increase in production and consumable inventories, driven by a higher production volume relative to the achieved sales volume;

- increase in other receivables, deposits and prepayments by US$1.7 million, primarily due to a first deposit payment of US$1.5 million in relation to the proposed acquisition of a 10% equity interest in Strategic Venture Pte. Ltd., an interested person transaction. Further details on the proposed acquisition are available in the Company's announcement released via SGXNet on 7 May 2025; and

- increase in current income tax receivables by US$0.2 million in 2Q FY2026 attributable to higher tax installments paid to tax authorities compared to the tax provision for the same financial period.

However, it was partially offset by:

- the decrease in trade receivables by US$0.5 million due to a lower outstanding trade receivables as at 31 August 2025 which is consistent with the lower sales volume in the final month of 2Q FY2026 as compared to 4Q FY2025;

- the decrease in financial assets at FVTPL by US$0.6 million which comprise money-market funds as at 31 August 2025, attributable to redemption of funds during the period; and

- the decrease in cash and bank balances of US$0.9 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 2Q FY2026.

Non-current liabilities

As at 31 August 2025, the Group's non-current liabilities decreased by US$0.3 million to US$8.2 million from US$8.5 million as at 28 February 2025.

The decrease was mainly due to the decrease in non-current bank borrowings as a result of the reclassification of non-current bank borrowings of US$0.6 million to current liabilities based on its maturity profile and partially offset by the increase in deferred tax liabilities of US$0.3 million.

Current liabilities

As at 31 August 2025, the Group's current liabilities increased by US$3.7 million from US$15.8 million as at 28 February 2025 to US$19.5 million.

The increase was primarily due to the:

(i) drawdown of asset financing and trade financing of US$0.6 million and US$3.7 million, respectively;

(ii) reclassification from non-current bank borrowings of US$0.6 million; and

(iii) trade and other payables of US$1.2 million due to lower repayments made in 2Q FY2026.

The increase was partially offset by the repayment of bank borrowings of US$2.7 million made in 2Q FY2026.

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$11.6 million as at 31 August 2025 as compared to US$14.2 million as at 28 February 2025.

Condensed interim consolidated statements of cash flows

In 2Q FY2026, the Group's net cash generated from operating activities decreased to US$4.4 million as compared to US$10.4 million in 2Q FY2025.

The operating cash flow before working capital changes decreased by US$3.1 million to US$7.2 million as compared to US$10.3 million in 2Q FY2025. However, after adjusting for the decreased working capital inflows of US$3.2 million, which was mainly attributable to the lower collection from trade and other receivables of US$4.8 million and higher repayments made to trade and other payables of US$0.3 million in 2Q FY2026. This was mitigated by the increased inventory levels of US$1.9 million.

In 2Q FY2026, the Group's net cash flow used in investing activities increased by US$1.9 million to US$4.4 million as compared to US$2.5 million in 2Q FY2025. The increase was primarily attributable to:

- increase in capital investment related to exploration and evaluation assets, mining properties, and plant and equipment by US$0.7 million;

- increase in purchase consideration of US$1.7 million for acquisition of subsidiaries and an associated company;

- increase in purchase consideration of US$0.4 million for an equity instrument classified as FVTOCI; and

- decrease in proceeds from disposals of plant and equipment of US$0.2 million in 2Q FY2026.

However, the increase was partially offset by:

- redemption of financial asset at FVTPL which comprise money market funds by US$0.4 million in 2Q FY2026; and

- decrease in purchase consideration paid to acquire additional shares in a subsidiary from non-controlling interests by US$0.6 million in 2Q FY2026.

In 2Q FY2026, the Group's net cash flow used in financing activities decreased by US$6.5 million to US$1.2 million. The decrease was primarily due to:

- the increase in proceeds from bank borrowings of US$3.7 million as compared to 2Q FY2025;

- the decrease in repayments of bank borrowings and lease liabilities of US$1.4 million and US$0.9 million, respectively as compared to 2Q FY2025; and

- the decrease in dividend payments to shareholders of US$0.5 million as compared to 2Q FY2025.

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 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 levels this year, ranging 115–120 Mt, as producers divert

[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

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.

[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

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. 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.

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 2025 to 31 August 2025. The Company's share capital was US$28,995,034 comprising 523,316,100 shares as at 31 August 2025 and 28 February 2025.

There were no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 August 2025 and 31 August 2024.

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 August 2025	**As at 28 February 2025**
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 August 2025 and 28 February 2025.

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 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 2025.

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.

10. Dividend information (continued)

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 2Q FY2026 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 2Q FY2026, 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.

(the remainder of this page is intentionally left blank)

15. Use of proceeds pursuant to Rule 704(30)

On 10 April 2023, our Company received S$8.7 million (net of placement expenses of S$0.3 million) as placement net proceeds. As at the date of this announcement, the status on the use of the placement net proceeds is as follows:

Use of net proceeds	Amount allocated	Amount re-allocated	Amount utilised	Balance
	S$'000	S$'000	S$'000	S$'000
Further development of the CASB mine, including continuing and future exploration and geology work, as well as addition of a new integrated processing plant	5,200	(800)	(3,699) [1]	701
Prospecting expenditures in relation to the two prospecting licenses in Sabah	3,500	800	(4,249) [2]	51
Total	**8,700**	**-**	**(7,948)**	**752**

(1) utilised for payment for purchase of machinery parts and initial design fees for the new pilot integrated processing plant.
(2) utilised for payment for purchase of plant and equipment, licensing fees, operating expenses and employee benefit expenses.

The above utilisation of the placement proceeds is in accordance with the intended use as stated in the Company's announcement dated 17 July 2024 in relation to the change in and update on the use of proceeds from the placement of 23,316,100 new ordinary shares in the capital of the Company.

At the appropriate juncture, our Group will deploy the remaining placement proceeds as the Group intends to further develop the CASB mine and undertake exploration activities in Sabah. Pending such deployment, funds have been placed in interest bearing deposits with licenced banks in Singapore and Malaysia.

The Company will make periodic announcements on the utilisation of the proceeds from the placement as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly and full year financial statements.

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

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

During 2Q FY2026, 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	0.11	0.20
Cost of sales	7.45	7.36
Selling and distribution costs	2.09	1.74
Total	**9.65**	**9.30**

During 2Q FY2026, the Group's cost of sales was higher than the projected amount by US$0.09 million which was mainly attributable to the increase in sales volume to fulfil market demand.

In 2Q FY2026, the selling and distribution costs were higher than the projected amount by US$0.35 million, primarily due to higher royalty expenses and transportation charges which are in line with higher sales volume in 2Q FY2026 as compared to the projected sales volume.

The Group utilised less than the originally planned funds in exploration and evaluation activities in 2Q FY2026 as a result from the Group prioritising on its production to meet on-going and continuous sales demand from customers during the quarter under review.

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

Purpose	Amount (US$ million)
Exploration and evaluation activities	0.20
Cost of sales	6.56
Selling and distribution costs	2.06
Total	**8.82**

The Group will continue its exploration and evaluation activities at its East, Valley and West Deposits of Bukit Besi Mine and tenements held by Fortress Mengapur Group during the third quarter of FY2026 ("**3Q FY2026**"). Prospecting activities in Sabah are currently put on hold, while the Group actively pursues further appeals for the renewal of its prospecting licences.

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

17. 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 and tenements held by Fortress Mengapur Group. 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 16 above. Prospecting activities in Sabah will resume once the respective licences are successfully renewed, application process of which is still on-going.

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

i. Change in effective interest in Fortress Aurum Sdn. Bhd. ("FASB") (formerly known as Ecomines Global Sdn. Bhd.)

On 3 June 2025, a wholly-owned subsidiary of the Company, Fortress Mining Sdn. Bhd. acquired the remaining 300 ordinary shares (representing 30% of the shareholding) in the share capital of FASB from an unrelated third party for a cash consideration of MYR300 (approximately US$67). Consequently, the Group's effective equity interest in FASB increased from 70% to 100%.

The purchase consideration was arrived at after arm's length negotiations, on a willing buyer-willing seller basis after taking into consideration, among other things, the potential earnings and future prospects of FASB.

The change in effective interest in 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 2026.

Subsequently, on 26 August 2025, the name of the subsidiary was changed from Ecomines Global Sdn. Bhd. to Fortress Aurum Sdn. Bhd. ("FASB").

ii. Subscription of 49% Equity Interest in Sebanjar Bina Sdn. Bhd. ("SBSB")

On 1 August 2025, an indirect wholly-owned subsidiary of the Company, Fortress Logistics Sdn. Bhd., has acquired 490,000 ordinary shares (representing 49% of the shareholding) in the share capital of SBSB from an unrelated third party for a cash consideration of MYR1,300,000 (approximately US$304,000), paid upon transfer of shares.

As a result, SBSB became an associated company of the Group.

The cash consideration was arrived at after arm's length negotiations, on a willing buyer-willing seller basis after taking into consideration, among other things, the potential earnings and future prospects of SBSB and the mining rights to be acquired by SBSB.

The intended principal activity of SBSB is for acquisition of mines, mining rights, quarries and trading in minerals. However, SBSB has remained dormant since its date of incorporation. The current share capital of SBSB is MYR1,000,000 and SBSB has a shareholders' fund of MYR1,047,481 as at the date the share transfer was completed.

The investment in SBSB 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 2026.

iii. Acquisition of Semangat Sumber Sdn. Bhd. ("SSSB")

On 18 August 2025, an indirect wholly-owned subsidiary of the Company, Fortress Logistics Sdn. Bhd., has acquired 1,000 ordinary shares (representing 100% of the shareholding) in the share capital of SSSB from an unrelated third party for a cash consideration of MYR1,000 (approximately US$237), 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, among other things, the potential earnings and future prospects of SSSB.

The intended principal activity of SSSB is for acquisition of mines, mining rights, quarries and trading in minerals. However, SSSB has remained dormant since its date of incorporation. The current share capital of SSSB is MYR1,000 and SSSB has a negative shareholders' fund of MYR3,759 as at the acquisition date.

The acquisition of SSSB 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 2026.

iv. Acquisition of BaoXin Mining Sdn. Bhd. ("BMSB")

On 25 August 2025, an indirect wholly-owned subsidiary of the Company, Fortress Logistics Sdn. Bhd., has acquired 51 ordinary shares (representing 51% of the shareholding) in the share capital of BMSB from an unrelated third party for a cash consideration of MYR10,000,000 (approximately US$2,381,000), payable upon transfer of shares. To-date, MYR6,000,000 has been fully paid, with the balance consideration of MYR4,000,000 to be paid in accordance with the payment schedule stipulated in the share purchase agreement.

The purchase consideration was arrived at after arm's length negotiations, on a willing buyer-willing seller basis after taking into consideration, among other things, the potential earnings and future prospects of BMSB and the mining rights held by BMSB.

The intended principal activity of BMSB is for acquisition of mines, mining rights, quarries and trading in minerals. The current share capital of BMSB is MYR100 and BMSB has a negative shareholders' fund of MYR4,099 as at the acquisition date.

The acquisition of BMSB 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 2026.

Save as disclosed above, there was no incorporation of new entities, other acquisitions and realisation of shares during 2Q FY2026.

(the remainder of this page is intentionally left blank)

BY ORDER OF THE BOARD OF
FORTRESS MINERALS LIMITED

Dato' Sri Ivan Chee
Chief Executive Officer
7 October 2025

*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 and 6-months ended 31 August 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Dato' Sri Ivan Chee Executive Director	Ng Mun Fey Executive Director

Singapore
7 October 2025