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PRESS RELEASE

**Fortress Minerals reports 1Q FY2025 results;
 announces completion of enhanced production capabilities**

- Revenue decreased by 26.2% year-on-year (“yoy”) to US\$9.8 million for 1Q FY2025, mainly due to lower sales volume and average realised price.
- Gross profit margin increased by 10.4 percentage points to 72.9% for 1Q FY2025, as higher production volume achieved in 1Q FY2025 allowed the Group to benefit from economies of scale.
- EBITDA declined by 6.3% yoy to US\$3.9 million, while net cash flow from operating activities increased from US\$0.5 million to US\$6.3 million for 1Q FY2025.
- The Group secured two new 12-month offtake agreements with an independent domestic steel mill in Malaysia, totalling approximately 552,000 WMT, and continues to capitalize on its enhanced production capabilities to grow long-term shareholder value.

SINGAPORE, 11 July 2024 – Fortress Minerals Limited (the “Company” or “Fortress Minerals”, collectively with its subsidiaries, the “Group”), a high-grade iron ore concentrate producer and exporter from Malaysia, today announced the financial results for the first quarter ended 31 May 2024 (“1Q FY2025”).

Financial Highlights

	1Q FY2025	1Q FY2024	Change %	FY2024
Sales volume (DMT*)	96,093	126,324	(23.9)	550,887
Average realised selling price (US\$/DMT)	101.01	104.92	(3.7)	97.85
Average unit cost (US\$/WMT#)	25.48	35.83	(28.9)	34.06
<i>(US\$ '000)</i>				
Revenue	9,776	13,252	(26.2)	53,933
Gross profit	7,127	8,282	(13.9)	33,262
Gross profit margin	72.9%	62.5%	-	61.7%
Other operating income	115	103	11.7	416
Selling & distribution expenses	(1,202)	(1,394)	(13.8)	(6,688)
Other operating expenses	(2,255)	(2,722)	(17.1)	(9,863)
Administrative expenses	(323)	(613)	(47.3)	(1,574)
Finance costs	(179)	(271)	(33.9)	(963)
Net profit after income tax (NPAT)	2,312	2,503	(7.6)	10,038
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,887	4,149	(6.3)	20,997

* DMT denotes Dry Metric Tonnes

WMT denotes Wet Metric Tonnes

Financial Overview

Fortress Minerals continues to leverage on resilient demand for its high-grade iron ore products and execute its strategic growth plans to expand and diversify its revenue streams.

The Group reported revenue of US\$9.8 million for 1Q FY2025, 26.2% lower yoy, mainly due to a decrease in sales volume. Sales volume decreased 23.9% to 96,093 DMT for 1Q FY2025. The decrease in revenue was also due to lower average realised selling price of US\$101.01/DMT.

Average unit cost of sales decreased 28.9% to US\$25.48/WMT for 1Q FY2025, mainly due to higher production volume achieved during the quarter which allowed the Group to benefit from economies of scale.

Consequently, the Group reported a higher gross profit margin of 72.9% for 1Q FY2025 compared to 62.5% for 1Q FY2024.

The Group reported EBITDA and NPAT of US\$3.9 million and US\$2.3 million respectively for 1Q FY2025. Earnings per share stood at 0.44 US cents.

As the Group continued its growth efforts, the Group's net asset value (NAV) per share was 3.3% higher at 14.26 US cents as at 31 May 2024 compared to 13.81 US cents as at 29 February 2024. 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, *“Our unwavering commitment to operational excellence and strategic growth has resulted in the early completion of the two additional ball mills at Bukit Besi. This will allow us to continue to improve efficiency, preserve shareholder value in challenging periods and position Fortress Minerals for sustainable success in the evolving market landscape.*

Reinforcing our growth ambitions, we have secured two new twelve-month offtake agreements. These agreements strengthen our relationships with key partners and affirm our position as the preferred producer of choice for our customers.

We remain committed to expanding our revenue streams and diversifying our portfolio to ensure long-term profitability and stability.”

Market Outlook

Global crude steel production decreased 0.1% yoy for January to May 2024¹. China, the world's largest steel-producing country, is estimated to have produced 438.6 million tonnes (Mt) in the same period, down 1.4% yoy¹. However, China's production for May 2024 saw a 2.7% increase yoy to 92.9 Mt¹. The increase in steel output in May was likely supported by a series of favourable macro policies and high raw material prices, which buoyed steelmakers' profitability and prompted many mills to speed up steel production accordingly.²

¹ The World Steel Association, 21 June 2024: [May 2024 crude steel production](#)

² Southeast Asia Iron and Steel Institute, 20 June 2024: [Steel output at key Chinese steel hubs gains in May | SEAIISI](#)

The Southeast Asian Iron and Steel Institute (SEAISI) estimates that steel demand in Southeast Asian countries will grow by 3.7% yoy to 76.5 Mt for 2024³. The expected increase in 2024 is attributed to optimism in the ASEAN economies on achieving their economic growth targets, given the strong private consumption, infrastructure and construction projects, and tourism recovery, as inflation rates approach target ranges.³

In Malaysia, domestic steel consumption is expected to increase this year to between 8.3 Mt and 9.0 Mt, driven by construction of data centres, the expansion of the semiconductor industry and infrastructure projects such as the Penang light rail transit.⁴

Overall, increased focus on high grade magnetite iron ore continues to underpin demand, supported by efforts to decarbonise the global iron ore and steel industry and support the energy transition.

Operational developments

The Group continued to enhance its production capabilities at its Bukit Besi mine. Two new ball mills were commissioned in May 2024 ahead of schedule and will increase nameplate capacity to a range of 50,000 to 60,000 tonnes per month, representing a targeted c.20% yoy increase from FY2024. The Group continues to further develop its East, Valley and West deposits at the Bukit Besi mine to expand its mineral resource for cost-efficient growth.

On 27 June 2024, the Group secured two new 12-month offtake agreements with an independent domestic steel mill in Malaysia. These agreements, totalling approximately 552,000 WMT, will run concurrently from 1 July 2024 to 30 June 2025. This is a testament to the consistent demand for the Group's high grade iron ore concentrate, efficient business operations, and strong business relationships with its customers.

The Group also looks forward to completing the development of the ongoing flowsheet and engineering design of the plant at the Cermat Aman Sdn Bhd (“CASB”) mine by 2Q FY2025. Once this is completed, the next stage will be to work on the construction drawing. Ultimately, the Group looks to develop a new integrated processing plant at the CASB mine which will produce copper concentrate, pyrrhotite concentrate and high-grade iron ore concentrates.

The Group has also made progress on its two prospecting licences granted to its subsidiaries, namely 65%-owned Saga Mineral Sdn. Bhd. (“SMSB”) and 65%-owned Kencana Primary Sdn. Bhd. (“KPSB”). The Group has completed Phase 2 “Prospecting” at SMSB which consisted of narrowing down of targets for the upcoming trenching and pitting program. It is currently in Phase 3 “Detailed mapping” to conduct detailed mapping, trenching, pitting and further mineral studies. For KPSB, spur & ridge and initial topography survey is completed, and the rest of Phase 1 has commenced and is expected to be completed by 2Q FY2025. The work from Phase 1 will enable the commencement of Phase 2 “Prospecting” at KPSB.

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

The Group continues to 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****

³ Southeast Asia Iron and Steel Institute, 2 July 2024: [Steel demand in Southeast Asia to grow by 3.7% y/y in 2024](#)

⁴ The Edge Malaysia, 1 July 2024: [Data centre boom, chip industry expansion expected to boost local steel demand](#)

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

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

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

About Fortress Minerals Limited (SGX: OAJ)

Fortress Minerals Limited ("**Fortress**" or the "**Company**" and collectively with its subsidiaries, the "**Group**") is principally in the business of exploration, mining, production and sale of iron ore of low level of impurities. All of our iron ore are efficiently priced in the United States Dollar against international iron ore indexes as practiced world-wide.

The Group is enhancing its production capabilities and expanding its mineral resources at the Bukit Besi mine. It is also developing a new integrated processing plant at the CASB mine and advancing its prospecting efforts in Sabah through various phases of mineral exploration.

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

Fortress is committed to our team's safety and values of integrity, sustainability, empowerment, and prosperity. Our team drives the business to achieve our vision of excelling in mineral exploration through strategic insights and alliances, addressing regional client demands, and maintaining ethical excellence.

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

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

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